

WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
OCTOBER 5, 2004

St. Martins College
Worthington Center
5300 Pacific Avenue SE
Lacey, WA 98503
(360) 491-4700

AGENDA

Time: 8:30 a.m. to 3:00 p.m.

TIME	TOPIC	PRESENTER	DESIRED OUTCOME
8:30-8:40	Welcome/Introductions	David Harrison	Get Acquainted
8:40-9:30	Minutes of June 30, 2004, and August 4-5, 2004, Retreat Summary	David Harrison	Board will act on minutes of June 30, 2004, Board Meeting, and August 4-5, 2004, Retreat Summary.
	Chairperson's Report	David Harrison	Board will be updated on current issues of interest and take action on 2005 Board meeting schedule.
	Executive Director's Report <i>Tab 1</i>	Ellen O'Brien Saunders	
9:30-9:45	Priorities of Government: Improving Career Guidance <i>Tab 2</i>	Terri Colbert	Board will see a PowerPoint presentation on a joint assignment to the Workforce Board and Employment Security.

TIME	TOPIC	PRESENTER	DESIRED OUTCOME
9:45-10:45	Review of Operating Agencies' Workforce Development-related Budget Requests for 2005-07 <i>Tab 3</i>	Bryan Wilson Wes Pruitt Gary Kamimura Employment Security Department Jim Crabbe State Board for Community and Technical Colleges Kyra Kester Office of Superintendent of Public Instruction	Board will consider and take action to endorse operating agency budget submissions to Office of Financial Management and the legislature.
10:45-11:00	Break	All	Refresh
11:00-11:15	America's Career Resource Network Plan 2004-05 <i>Tab 4</i>	Walt Wong Terri Colbert	Board will review and approve the plan for use of America's Career Resource Network fund for 2004-05.
11:15-12:00	Higher Education Planning: Report from the State Board for Community and Technical Colleges <i>Tab 5</i>	Madeleine Thompson Jan Yoshiwara State Board for Community and Technical Colleges	Board will learn of the State Board for Community and Technical Colleges' work on postsecondary education enrollment planning.
12:00-12:45	Lunch	All	Refresh
12:45-1:30	Youth Drop Out Issue: Report from Office of Superintendent of Public Instruction on latest numbers and policy issues <i>Tab 6</i>	Wes Pruitt Pete Bylsma Office of Superintendent of Public Instruction	Board will review current information on graduation rate and drop out issues and discuss potential action.

TIME	TOPIC	PRESENTER	DESIRED OUTCOME
1:30-2:30	Federal Career and Technical Education Funds Utilization <i>Tab 7</i>	Walt Wong Kyra Kester Office of Superintendent of Public Instruction Jim Crabbe State Board for Community and Technical Colleges	Board will learn of agencies' priorities for federal CTE funds.
2:30-3:00	Reports on Strategic Projects and Initiatives Industry Skill Panels Solicitation Centers of Excellence Solicitation Youth Drop Out Prevention/Retrieval Projects (WIA 10% funds) Apprenticeship projects (WIA 10% funds) <i>Tab 8</i>	Pam Lund Jim Crabbe State Board for Community and Technical Colleges Julianne Hanner Hanner Enterprises Kyra Kester Office of Superintendent of Public Instruction Sylvia Mundy Employment Security Department	Board will get a brief update on strategic projects and initiatives.
3:00	Meeting Wrap Up and Adjournment	David Harrison	

Tab 1

Washington State Workforce Training and Education Coordinating Board
Minutes of Meeting No. 98
June 30, 2004

Chair David Harrison called the Workforce Training and Education Coordinating Board (Workforce Board) meeting to order at 8:06 a.m. at Spokane Community College in Spokane, Washington. The following board members were present:

David Harrison, Workforce Board Chair
Asbury Lockett, Business Representative
Julianne Hanner, Business Representative
Rick Bender, Labor Representative
Mike Hudson (Alternate for Don Brunell), Business Representative
John McGinnis, Labor Representative
Beth Thew, Labor Representative
Sylvia Mundy, Employment Security Department (ESD)
Kyra Kester (Alternate for Terry Bergeson), Superintendent of Public Instruction (OSPI)
Jim Crabbe (Alternate for Earl Hale), State Board for Community and Technical Colleges (SBCTC)
Ellen O'Brien Saunders, Executive Director

Welcome and Introductions

Mr. David Harrison welcomed the Board and guests and introductions were made.

Minutes of Board Meeting of Meeting No. 97 – May 13, 2004

Mr. Harrison presented the minutes from the May 13, 2004, Workforce Board meeting.

Motion 04-98-01

Commissioner Sylvia Mundy moved and Mr. John McGinnis seconded that the Workforce Board minutes of May 13, 2004, be approved as presented. The motion passed.

Chair's Report

Mr. Harrison announced the Incumbent Worker and Customized Training - Invitational Meeting July 22, 2004, to be co-hosted by the Workforce Board and the Dan Evans School of Public Affairs at the University of Washington. This working session will be an opportunity to discuss exemplary customized job training initiatives from around the country. Mr. Harrison encouraged Board members to attend.

Mr. Harrison also announced that the Workforce Board is the recipient of an Honorable Mention from the Department of Labor for work on the cluster strategy. Commissioner Mundy will accept this award on behalf of the Workforce Board at the July Workforce Innovations Conference in San Antonio, Texas.

The Workforce Board participated in the first meeting for the new Higher Education Coordinating Board Advisory Council on July 22, 2004. The Workforce Board is a statutory member of this Council along with other postsecondary education entities.

Mr. Asbury Lockett reported on his attendance at a recent Seattle-King County Workforce Development Council (WDC) meeting and Commissioner Mundy reported on her attendance at a Pacific Mountain WDC meeting and at a meeting for the recertification of a WorkSource Center affiliate. Commissioner Mundy noted that WorkSource Columbia Basin recently was designated as the number one WorkSource/One Stop Center in the nation. Mr. Mike Hudson attended a business breakfast at the Benton Franklin WDC in June. The main topic of discussion was workers compensation issues.

Executive Director's Report

Ms. Saunders reported on the upcoming report from the National Assessment of Vocational Education (NAVE) independent panel, whose task it was to guide congressionally-chartered research on vocational education. Ms. Saunders was a member of the NAVE panel. The panel expressed concern over the shift in funding from Career and Technical Education to No Child Left Behind goals. The NAVE report is complete and will include an executive summary along with the transmittal letter from the panel, which can be more explicit in sharing the panel members' viewpoint on Career and Technical Education than can the report.

Ms. Saunders also noted that there is currently no movement in the U.S. Congress regarding Perkins or Workforce Investment Act (WIA) reauthorization.

High Skills, High Wages: Washington's Strategic Plan for Workforce Development 2004

Mr. Bryan Wilson and Ms. Madeleine Thompson presented the material in Tab 2, outlining the major changes to Chapter 5 of High Skills, High Wages: Washington's Strategic Plan for Workforce Development 2004. Board members asked questions regarding the material and noted several corrections. Mr. Hudson stated that this is a tremendous document and commended Ms. Thompson and other staff on their work. Mr. Hudson inquired if this publication could be made available on compact disk and also linked to websites, such as the AWB website. Mr. Harrison asked that staff bring attention to the six strategic opportunities outlined in the plan in the marketing and distribution of this document. This will be a separate publication in addition to the full plan. Mr. Bender inquired about what the plans were for legislative approval of the plan at the next legislative session.

Mr. Harrison noted that in the chapter, *Tomorrow's Economy*, there should be care in some of the wording – the term “new economy” can signal “information technology economy,” so consider using the word “changing” instead so that it doesn't appear that information technology is the only consideration. Mr. Hudson noted that the outsourcing discussion in this section is excellent and balanced, but he does have some concern with the term “jobless recovery.” He agrees that this may have been the case when this was written, but believes that more recently there has been some job growth. Mr. Bender expressed concern over “sugar-coating” the economic situation over the past few years; a lot of the new jobs that have been created are lower paying and/or temporary. Mr. Harrison indicated the need to present both viewpoints and asked for new language in the chapter to express the lag in job creation and suggested that Mr. Bender

and Mr. Hudson could review this new language prior to publication. The recommended motion will be changed to include the review of the revised draft of this chapter by a subcommittee of Mr. Bender, Mr. Hudson, and Mr. Harrison.

Motion 04-98-02

Mr. Hudson moved and Mr. Bender seconded that the Workforce Board adopt the 2004 edition of *High Skills, High Wages: Washington's Strategic Plan for Workforce Development* with the changes noted at this meeting. The motion passed. Commissioner Mundy commended the Board and staff for the work on this plan.

Higher Education Coordinating Board's 2004 Strategic Master Plan for Higher Education

Mr. Wilson and Ms. Thompson led a discussion on the Higher Education Coordinating Board's (HECB) *2004 Strategic Master Plan for Higher Education*, including a series of 11 draft policy proposals that form the basis of this plan. Mr. Harrison noted the discussion from the previous night's dinner with Spokane area workforce development leaders on postsecondary education issues and the attention that the HECB does or does not pay to the rest of the world of higher education beyond the four-year degree institutions.

There are two main goals in this plan: (1) Increase opportunities for students to earn degrees, and (2) respond to the state's economic needs by expanding opportunities in high-demand fields, increasing university research, increasing the number of students who complete job training programs and the proportion of basic skill students who demonstrate skill gains.

The Board discussed the proposals and the proposed motion. Language changes were suggested for the motion including increased attention to the needs of adult learners and on the cluster-based planning approach to assist regional economic development efforts. The motion was also changed to include in the resolution portion that the Workforce Board is strongly urging the HECB to address the additional items included in the resolution.

Mr. Gary Livingston, Chancellor and Chief Executive Office for the Community Colleges of Spokane, was asked to speak about community colleges' perspectives on the proposed HECB Strategic Master Plan. Mr. Livingston welcomed the Board to Spokane and spoke about the concern that the adult learner is not represented in this plan. There is a legislative bias towards the baccalaureate degree and he expressed that we should look at the real needs for jobs in this state. Mr. Ron Lafayette, President of North Seattle Community College, also addressed the Board and noted that it does not appear that the HECB was using data that is available from the Workforce Board for some of their analysis. He would like to see all workforce and education groups do more to use each other's data to make informed decisions.

Mr. Harrison suggested the motion be amended today to include the suggested revisions and additions from the Board and that at the August Workforce Board retreat further discussion occur on how to expand our communication strategy to address these concerns.

Motion 04-98-03

Commissioner Mundy moved and Mr. Jim Crabbe seconded the adoption of the amended resolution to express the Workforce Board's support to the HECB for the goals and new policy proposals in the *2004 Strategic Master Plan for Higher Education* and to further urge the HECB to address the additional items outlined by the Workforce Board in this plan. The motion passed.

Skill Panel Update

Ms. Pam Lund presented information to the Board on skill panels, including background, summary of key industries and clusters, how skill panels are formed, leveraging of funds to support skill panels, leadership, challenges, and sustainability of skill panels through future investments. Mr. Harrison asked if partner agencies can coordinate a budget request to support more funding for skill panels, including consideration of more "exotic" funding streams.

The Board discussed participation on skill panels and it was noted that K-12 is not well represented on panels. Ms. Kester responded that secondary educators do not feel they have a role in defining the skills needed by employers.

Adjusted Levels of Performance for Workforce Investment Act (WIA) Title I-B

Mr. Wilson and Mr. Carl Wolfhagen presented information on the performance targets agreed upon between the Workforce Board and the U.S. Department of Labor (DOL) for WIA Title I-B. The models indicate that the adjusted levels of performance should be raised for four measures. In previous years, the Board has asked DOL to adjust targets downward in response to regression models. One issue raised earlier by the Board was there are more incentives for providers to assist harder to serve people if targets are raised, as well as lowered when appropriate. Mr. Wolfhagen noted the local WDCs have already experienced the raising of targets in the past. Mr. Wilson noted that the WDCs have been informed of this change and their concerns were answered. Ms. Kester asked if staff could assess how much it costs to serve harder to serve clients.

Motion 04-98-04

Mr. Hudson moved and Ms. Beth Thew seconded the Workforce Board's approval of proposing to the U.S. DOL the revised adjusted levels of performance. The motion passed.

Progress Reports

Ms. Saunders provided an update on several current initiatives. Planning for the *Workforce Strategies 2004: Leading in a Global Economy* conference is underway. It is anticipated the topic of outsourcing will be included and Mr. Bender suggested having two speakers, each presenting a different perspective on the topic. Board members made several other speaker suggestions.

At this time, Mr. Harrison introduced Clark Mather, the Eastern Washington representative from U.S. Senator Maria Cantwell's office. Mr. Mather shared information on the Lifelong Learning Accounts (LiLAs) legislation that Senator Cantwell is promoting. This would create pilot

projects to establish a tax-free training account for eligible workers in a number of states. Mr. Bender asked how this would help low and moderate income people. Mr. Mather responded that people who make less than \$75,000 would have the greatest tax incentive. Employers can match employee contributions. Mr. Lockett asked if there are limitations as to what the training account can be used for. Mr. Bender asked if the funds are totally tied to lifelong learning – could people take out funds for emergencies, e.g., catastrophic health care. The response was that possibly you can, with a penalty.

Ms. Saunders also provided information on the Integrated Performance Information (IPI) project that is being conducted at the request of, and with the support of, DOL. The Workforce Board is the lead state on this nationwide effort to build a consensus among the states on the next generation performance measurement system for workforce development programs. Work has been progressing and the next step is for Workforce Board staff, with the assistance of the National Governors Association staff working on this project and the other leading edge states, to draft a Blueprint guide for states. Ms. Kester asked about OSPI's participation in this project and was informed that OSPI had been invited to participate on this when the project first began, and that technical staff had participated.

The Board discussed the WIA Statewide Apprenticeship Training summary of projects. Mr. Crabbe expressed concern over the cost per participant. Commissioner Mundy noted that she would provide additional information on this for Board members.

The Work Readiness Credential project is now in the second of four phases. Ms. Lund highlighted information for the Board. She also noted there has been a change at the national level and the project is working to engage the U.S. Chamber of Commerce Center for Workforce Excellence to take on the hosting role. Mr. Harrison asked that the Board be informed if future investments are requested.

Carl D. Perkins Vocational and Technical Education Act –Funds Utilization Discussion

Mr. Walter Wong presented information to the Board on the planning schedule and noted that the Board will discuss funding options at the October 5, 2004, Board meeting. Mr. Wong gave background on the Perkins Act and how the state allotment is distributed. A key provision in Perkins is accountability. There are four main performance measures for this. Mr. Wong also noted that the Department of Education's response to our submission of numeric targets, instead of percentages, for the next Program Year is due to the Board today.

Mr. Crabbe and Ms. Kester described the uses of funds distributed to the SBCTC and OSPI. The Board discussed how the funds are used to support the Board's goals. Ms. Thew asked what percentage of the funding is used for required activities and what percentage for permissive activities, and was informed that it varies for SBCTC and OSPI. Ms. Kester noted that secondary education has the challenge of Perkins funds being such a small percentage overall (four percent) that it is difficult to push districts on how to use the funds. She also noted that the move from skill standards to skill panels has been difficult for the secondary education system. Ms. Saunders asked if Perkins funds can be used to help districts get up to program standards – Ms. Kester responded that they could.

Some questions were provided to the Board to stimulate discussion regarding the Perkins State Leadership and Basic Grant uses by the partner agencies. Mr. Harrison acknowledged the challenge of asking secondary and postsecondary systems to look at possible different uses of the funds. He hopes that from this discussion OSPI and SBCTC will go back to these questions and match them to the strategies in *High Skills, High Wages*. Mr. Bender noted that the state budget crunch will affect everyone and a lot of agencies will be hit hard in the coming year – will education dollars be redirected to offset this impact?

Mr. Harrison proposed that the Board discuss the use of funds further, noting the Board's statutory responsibility to oversee the use of the funds.

Demand, Supply, and Results for Postsecondary Career and Technical Education

Mr. Wilson presented information on the assessment of the supply and demand for postsecondary career and technical education, including an analysis of the number of student FTEs needed to close the gap.

Retreat Planning


Mr. Harrison suggested the following agenda for the upcoming Workforce Board Retreat:

- 1) Higher Education Coordinating Board's *2004 Strategic Master Plan for Higher Education* – strategy for response to the HECB and the Board's role relative to this plan. Mr. Bender asked for Board members to receive a copy of the transmittal letter to the HECB on the response to the plan.
- 2) Learn more about skill panels, Centers for Excellence, and targeted sector strategies.
- 3) Progress on creating an integrated workforce development system.
- 4) How are we working as a Board? This can include the relationship with local boards and councils.

WorkSource Performance Indicators: Second Annual Report

Mr. Wolfhagen presented the information on the measures for WorkSource outcomes and how they may reflect the utilization of WorkSource. Mr. Hudson asked if the information can be broken out by WDCs and was informed that this will be done at a later point. Mr. Wolfhagen outlined some possible future changes with these measures.

The meeting adjourned at 3:10 p.m.


Ellen O'Brien Saunders, Secretary

**Washington State Workforce Training and Education Coordinating Board
Summary of Board Retreat
August 4-5, 2004 – Ocean Shores**

Mr. David Harrison opened the retreat and made introductions. The following board members and key staff were present:

PARTICIPANTS:

Board

David Harrison, Chair
Rick Bender – Labor Representative
Earl Hale – State Board for Community and Technical Colleges
Julianne Hanner – Business Representative
Asbury Lockett – Business Representative
John McGinnis – Labor Representative
Sylvia Mundy – Employment Security Department
Beth Thew – Labor Representative

Agency/Organization Staff and Guests

Deb Bingaman – Department of Social and Health Services/Economic Services
Jim Crabbe – State Board for Community and Technical Colleges
Gary Gallwas – Employment Security Department
Mike Hudson – Association of Washington Business/Institute for Workforce Development
& Economic Sustainability
Kyra Kester – Office of Superintendent of Public Instruction
Terry Redmon – Department of Social and Health Services/Vocational Rehabilitation

WTECB Staff

Ellen O'Brien Saunders
Bryan Wilson
Pam Lund
Walt Wong
Tana Stenseng
Mary Reister

The meeting began at 9:34 a.m. on August 4, 2004, and Mr. Harrison stated the goals for the Retreat:

1. Discussion of goals and major ideas that we are advancing over the coming year, both “what” and “how”. This will reflect on how we work together within the system and as a Board.

2. The agency budget proposal and other legislative session priorities will be the major discussion for the afternoon of day one.

The State of Our Union: Progress to Date on Key Goals

Mr. Bryan Wilson presented an overview of the progress to date on workforce development system goals. The Board expressed an interest in learning more about what kinds of policy and strategy directions the agency can employ to counter the effects of the recession and for more information on how the different programs within the system connect.

Update on Key Initiatives

The Board learned of the most recent activities with key initiatives, including: 1) Drop Out Prevention and Retrieval; 2) Customized Training Advocacy; 3) Workforce Strategies 2004 Conference; and 4) Workforce Development Council (WDC) certification.

Workforce Needs and Opportunities: Success in the '05 Session

The Board discussed potential budget enhancements to increase the capacity of career and technical education. With regard to legislative action to approve *High Skills, High Wages* (HSHW), members discussed the need to lead with the content of the plan, not the plan as a document. Legislators understand the connection between skills and performance, but the difference is in what kinds of jobs they think are important. The baccalaureate message has been strong and there has not been a counter message that has been as strong. Mr. Harrison noted that the Board should start on the path of sustainable funding for career and technical education. One such proposal is the budget decision package for Economic Vitality: Key Industry Initiative that would be used to form new industry skill panels and add funds for the Job Skills program.

Mr. Gary Gallwas raised a question about the anticipated funding source for the enhancement. Mr. Rick Bender wondered if a funding strategy of businesses' writing off some of the Business and Occupation (B&O) tax towards an education and training fund for workers would be a possibility. This would get businesses more invested in training. Ms. Julianne Hanner noted that the Association of Washington Business might be supportive of a strategy of this nature. Mr. Harrison noted that the number one legislative priority should be getting better than we are now in articulating our overall workforce development system agenda. Do we want as a second priority to identify the parts of the system that need fixing and strategies to fix (e.g., skill panels)? The B&O tax credit idea is a way of creating a sustainable, reliable funding source for some of these needs. This could include some GFS funding increase. Ms. Saunders noted that what is decided upon as far as a budget request has to be forwarded to the Office of Financial Management (OFM) by September 1. Then, throughout September and the fall, there can be work on alternative funding strategies, which can be noted in the September 1 submission. Mr. Harrison noted that the proposed motion should be amended to recognize the need for finding sustainable funding sources.

Commissioner Sylvia Mundy expressed concern over voting on the budget enhancement request without having more information on what skill panels have achieved so far – how do we know

the business needs have been met? Ms. Beth Thew and Ms. Julianne Hanner expressed that it is too early for deliverables or a sense of the economic impact from the skill panels but they show tremendous potential and have leveraged both public and private sector funding for training, engaged several hundred businesses, and enable WDCs to address key industries in their areas.

Motion 01 Retreat 08-04

Mr. Mike Hudson moved and Ms. Thew seconded to approve the 2005-07 Biennial Budget for submission to OFM. Included in the amended motion is the intent to convene further discussion of alternative, sustainable funding sources to support the Economic Vitality: Key Industry Initiative.

Key Legislative Issues and Strategies

Members and staff reported on key legislative issues ahead for agencies and their constituencies. Participants then discussed strategies for making legislative relations successful and for aligning communications. Ideas included:

- Use selective convening of Board members better than in the past (e.g., to articulate the demand for technical training).
- Use Op/Eds and other communication pieces to promote the needs of non-baccalaureate training and education. Continue to generate speaking opportunities for Board members and staff.
- Use conference to connect the attendees to key legislative issues.
- Develop and use more concrete ties with business leaders.
- Board members need to continue to communicate with the three gubernatorial candidates on workforce development issues.

System Integration: How can the programs work better together as a system?

The Board discussed the information from the 2003 System Building Assessment and the areas for improvement. The Interagency Committee (IC) has also seen this information and offered ideas on system improvements.

Follow up identified:

- Communicate with the Washington Workforce Association (WWA) and Community College Presidents representatives regarding attendance at Workforce Board meetings.
- Adjust agendas to invite local WorkSource Centers, community and technical colleges, high schools, etc. to participate in meetings.
- Ask partner agencies to feature conversations on community colleges when attending WWA meetings.
- Look at funding streams and ways to integrate allocations.
- Look at the Workforce Strategies conference and ways to address some of these system building issues. Engage the IC in thinking about how to do this.
- Revisit this topic after the Workforce Strategies conference.

How are we doing as a Board?

Board members and staff discussed their overall satisfaction with the work of the staff and support for the Board. They also made a number of suggestions for improvement:

Board Meeting (Length)

- Either have fewer (or shorter) items on the meeting agendas or have multiple day meetings (to prevent meetings running over time).
- No two-day meetings.
- Prefer one and a half day meetings over ones that last too long into the afternoon.
- Consider meeting more frequently.
- Shorten some agenda items and keep to the current schedule and one day meetings.

Board Meeting Agendas – Content and Preparation

- See evidence of conversations between Board members and staff that occurs between meetings.
- Would like meeting material earlier if possible.
- Work with IC more prior to the meetings.
- Would like to see more on Department of Social and Health Services issues.
- More conciseness in Board packets.
- More discussion of TANF/WorkFirst issues – a report to the Board.

Board Members and Member Support

- Need orientation for new members and “refresher” after a year or so.
- Keep conscious of trying to minimizing surprises for members.
- Would like to see more Board members engaged in the legislative process.
- More participation by the Board on committees.
- Include the Division of Vocational Rehabilitation as a voting member of the Board (note: WIA legislation prevents changes to grandfathered boards without changing membership to include other entities that would then make this a 45+ member board).
- Have reports from Board committees.
- More outreach to members prior to meetings regarding issues.
- More occasions to get to know other members.
- Would like more standing Board committees (note: concern was expressed over staff work on standing committees and that committee work is often re-worked at Board meetings).
- Regular e-mail updates from Ellen are useful.

External Relationships

- Continue to ensure that connection with local entities occurs by meeting around the state and having dinners with locals the night before.
- As part of Board orientation, members meet with partner agencies on the Board.
- Would like to understand from business and labor representatives what their challenges are.
- Have a function with the Workforce Board members and members of other boards (i.e., HECB, SBCTC, etc.), perhaps an evening function.
- Increase audience attendance at Board meetings.
- Communication with new members of the HECB

Retreat was adjourned at 11:45 a.m. on August 5, 2004.

WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
2005 MEETING SCHEDULE

*Thursday, January 27, 2005 – Meeting
Olympia*

*Thursday, March 31, 2005 – Meeting
Olympia*

*Thursday, May 12, 2005 – Meeting
Olympia*

*Wednesday, July 6, 2005 – Dinner
Thursday, July 7, 2005 – Meeting
Bellevue*

*July 27-28, 2005 – Retreat
Leavenworth*

*Wednesday, September 21, 2005 – Dinner
Thursday, September 22, 2005 – Meeting
Yakima*

*Wednesday, November 16, 2005 – Dinner
Thursday, November 17, 2005 – Meeting
Vancouver*

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD**

SCHEDULE OF WORKFORCE DEVELOPMENT COUNCIL VISITS 2004

Workforce Development Council	Board Member or Representative	Dates Scheduled
Benton-Franklin	David Harrison	To be scheduled
Eastern Washington Partnership	Beth Thew	2/26
North Central	David Harrison	To be scheduled
Northwest	Jim Crabbe	8/25
Olympic	Julianne Hanner	To be scheduled
Pacific Mountain	Sylvia Mundy	6/10
Seattle-King County	Asbury Lockett	6/18
Southwest Washington	Rick Bender	9/8
Snohomish County	Tony Lee	11/2
Spokane County	To be assigned	To be scheduled
Tacoma-Pierce County	John McGinnis	To be scheduled
Tri-County	Mike Hudson	8/10

Workforce Strategies 2004: Leading in a Global Economy

Draft Conference-At-a-Glance	
Monday, November 8	
3:30 p.m. – 7:00 p.m.	Registration
6:00 p.m. – 7:00 p.m.	Opening Reception
Tuesday, November 9	
7:00 a.m.	Registration Continues Continental Breakfast
8:30 a.m.	Launch and Greetings David Harrison , Seattle, WA Ellen O'Brien Saunders , Olympia, WA Mayor Bill Baarsma , Tacoma, WA
	Opening Plenary John Mitchell , U.S. Bank Bill Center , Washington Council on International Trade Margaret Hallock , University of Oregon
10:15 a.m.	Break
10:45 a.m.	Concurrent Breakout Sessions 1. Emerging Policy on the Horizon 2. Emerging Policy on the Horizon 3. The Next Generation of Performance Measures: Simplicity at Last! 4. Beyond the Initial Briefing: What Every Workforce Development Council Member Needs to Know 5. Thinking Outside the Box: Partnerships for Dropout Prevention and Retrieval 6. Innovative Approaches to Engage Employers 7. Health Workforce Shortage: Innovations in Other States 8. Up-Skilling Current Workers: Linking Economic Development and Economic Opportunity 9. Public/Private Partnerships That Work: Business Leaders Speak Out 10. High Tech Skills, Innovation, and Job Growth: Spotlight on Energy 11. Wage Progression: What do we Know about Moving up the Wage Ladder?
12:00 noon	Lunch Plenary “Education and Training: Flexibility for Global Success” JD Hoyer , Keep the Change, Inc., Aptos, CA
1:45 p.m.	Break
2:00 p.m.	Concurrent Breakout Sessions 12. Emerging Policy on the Horizon 13. You're Talking, But Are They Listening? 14. Student and Career Planning: Now and in the Future 15. Wage Progression: What do we Know about Moving up the Wage Ladder 16. Up-Skilling Current Workers: Linking Economic Development and Economic Opportunity Global Information Technology Sourcing Infrastructure and Industry Clusters: Spotlight on Marine Services and Ports 17. Public/Private Partnerships That Work: Business Leaders Speak Out 18. Elements of Design: The Demand-Driven Work Readiness Credential

3:15 p.m.	Break
3:45 p.m.	Concurrent Breakout Sessions 19. Emerging Policy on the Horizon 20. You're Talking, But Are They Listening? 21. Global Information Technology Sourcing 22. Health Workforce Shortages: Innovations in Other States 23. Infrastructure and Industry Clusters: Spotlight on Marine Services and Ports 24. Career Clusters and Workforce Development: Maryland's Story 25. Industry Clusters in Rural Washington 26. Elements of Design: The Demand-Driven Work Readiness Credential 27. Industry Cluster Strategy: What's Ahead for Washington? 28. Innovative Workforce Solutions: Models to Be Replicated 29. Career Navigation: The New Basic Skill
5:00 p.m.	Networking Reception sponsored by the Association of Washington Business and the Washington State Labor Council
6:00 p.m.	Dinner
Wednesday, November 10	
7:00 a.m.	Run or (Walk) a Mile in Tacoma
7:30 a.m.	Continental Breakfast
8:30 a.m.	Welcome and Announcements John Ladenburg , Pierce County Executive "Home Office: Planet Earth" Armchair Discussion with International Firms Rich Hadley , Spokane Regional Chamber of Commerce (moderator) Anders Bergland , IKEA Tom Burns , The Boeing Company Mic Dinsmore , Port of Seattle Kelly Haughton , Russell Investment Group And more...
10:00 a.m.	Break and Hotel Checkout
10:30 a.m.	Concurrent Breakout Sessions 30. Emerging Policy on the Horizon 31. Legislative Perspectives on Workforce Development 32. Thinking Outside the Box: Partnerships for Dropout Prevention and Retrieval 33. Beyond the Initial Briefing: What Every Workforce Development Council Member Needs to Know 34. Learning from the World 35. Innovative Workforce Solutions: Models to be Replicated 36. Innovative Approaches to Engage Employers 37. Career Clusters and Workforce Development: Maryland's Story 38. Double Duty: Community Leaders Making a Difference 39. Expanding Job Placement for Customers With Disabilities 40. A School Improvement Strategy that Works: Using the Malcolm Baldrige Criteria for Focused Change
12:00 p.m.	Governor's Awards for Best Practices – Showcase Luncheon Presentation of Awards
2:00 p.m.	Conference Adjourns

Workforce Training and Education Coordinating Board
Proposed Agenda Items – November 17, 2004

- Election Debrief/Looking Ahead to 2005 Legislative Session
- WorkFirst Presentation
- Integrated Performance Information Framework
- Discussion on Tracking *High Skills High Wages* Progress
- Workforce Strategies 2004 Debrief
- Perkins 05-06 Focus (Action)
- Labor Market Information Grant (Action)
- Workforce Investment Act Title I Results



STATE OF WASHINGTON

**Workforce Training and Education
Coordinating Board**

PO Box 43105, Olympia, Washington 98504-3105

**Employment Security
Department**

PO Box 9046, Olympia, Washington 98507-9046

September 28, 2004

Mr. John Humphrey, Director
Office of Systems Performance
Employment and Training Administration
U.S. Department of Labor, Region 6
1111 Third Avenue, Suite 815
Seattle, Washington 98101-3212

Dear Mr. Humphrey:

Washington's application for Federal Assistance (SF-424), Budget Plan (SF-424A, Sect. D), and the Statement of Work for PY 2004 – One-Stop/LMI Grant, are enclosed with this letter.

We appreciate the support provided by this grant in PY 2003. In PY 2004 we will use Grant funds to develop core LMI products and services to support the American's Labor Market Information System (ALMIS) and One-Stop Service initiatives in Washington State. In the plan we have also indicated what we will be leveraging the grant with spending from other sources for developing and disseminating the core products. We are also requesting that the performance period for this funding be extended to September 30, 2005 so we can gather feedback on the PY 2004 products and services.

As noted in the plan, some later changes to the approved plan may be submitted to ETA if additional collaboration between the State Workforce Board and the Labor Market and Economic Analysis unit determines that such changes are required to fully meet the needs of the workforce system in Washington State.

Thank you for your funding and technical support in the past year and we look forward to working with you and your staff this year in our effort to develop and enhance the One-Stop Labor Market Information system in Washington State.

Sincerely,

Dāvid Harrison, Chairman
Workforce Training and Education
Coordinating Board

Marc Baldwin, Assistant Commissioner
Office of Policy and Research
Employment Security Department

Enclosures

One-Stop/Labor Market Information (LMI) Plan

In July of this year, the U.S. Department of Labor (DOL) issued new requirements for the state labor market information plan funded through the One-Stop Career Center/America's Labor Market Information System (ALMIS) federal appropriation. As part of the new requirements, State Workforce Boards "must play a central role in determining how funds for core products (3) through (6) are spent." The grant plan must be co-signed by the chairperson of the state Workforce Training and Education Coordinating Board (Workforce Board) and the State Workforce Agency administrator, or signed by the Governor. Plans are due to DOL by September 30. Recognizing the short notice of the new requirements for collaboration, DOL suggested that states submit preliminary plans timely and consider submitting modifications, if necessary, at a later date.

Below is a brief description of the six core products included in Washington State's plan, followed by a timeline for collaboration between the Labor Market and Economic Analysis unit of the Employment Security Department and the Workforce Board.

One-Stop LMI Core Product Description

1. Continue to populate the ALMIS Database with state data.

Washington State's Labor Market and Economic Analysis (LMEA) will continue to populate and maintain the ALMIS database tables in accordance with guidelines issued by the ALMIS Database Consortium. This year, we will emphasize "local" information, putting a high priority on populating the core tables with multiple geographic levels, including state, county and workforce development areas.

2. Produce and disseminate industry and occupational employment projections.

LMEA will produce and distribute industry and occupational employment projections for Washington State and 12 local Workforce Development Areas (WDA). Long-term projections (2002 to 2012), short-term projections (2004Q2 to 2006Q2), and five-year industry and occupation projections mandated by Washington State legislation. These projections will be produced for the State and all 12 sub-state (WDA) areas.

3. Provide occupational and career information products for public use.

LMEA will continue to produce and disseminate occupational and career information products, incorporating related information such as occupational projections, wages, vacancies, benefits, and demand/decline occupations for all 12 Workforce Development Areas.

The sources of the occupational information include: the Occupational Employment Statistics (OES) data, the ETA funded industry and occupational projections programs, benefits surveys, and Job Vacancy Surveys (JVS). LMEA will maintain links to the ETA-funded Occupational Information Network (O*Net) system as a primary source for information on occupational requirements. The benefits and job vacancy surveys are funded outside ETA One-stop/LMI resources, and provide a good example of leveraging other resources. All products will be Standard Occupational Code-based and demand driven in consultation with intended customers.

4. Ensure that workforce information and support required by state and local workforce investment boards are provided.

In Washington State, central office staff, out-stationed Regional Labor Economists (RLEs) and the Workforce Explorer internet site will provide state and local area support to the Workforce Board, local Workforce Development Councils (WDCs), including WDC planning, analysis, policy development and program operations. The RLEs will be required to devote a large share of their time to working directly with WDCs and local WorkSource centers in order to support local planning activities with data and analysis to meet local LMI needs. In addition, each regional economist will provide periodic economic briefings to the WDC members in order to keep them current on local labor market conditions.

5. Maintain and enhance electronic state workforce information delivery systems.

Washington State will continue to improve our award-winning Internet website, the Workforce Explorer. The Workforce Explorer delivers workforce information through an integrated internet web site with a usability-tested design, specific customer groups and tools, all integrated into a system that relies upon a query system attached to the ALMIS database. The Workforce Explorer is integrated into the State's WIA service delivery system through linkages with WorkSource centers, WDC and state agency websites as well as Access Washington. The application will have three upgrades during the year (www.workforceexplorer.com).

6. Support state workforce information training activities.

Washington State will use PY 2004 grant money for training of LMI professionals and to conduct training sessions for LMI users. LMEA plans to send staff to ALMIS sponsored training courses dealing with industry and occupational projections as well as courses dealing with area analysis skills. Additional training courses will be scheduled locally, as they are needed, for new and existing staff to enhance their understanding of LMI.

General Timeline for LMEA/Workforce Board collaboration on the One-Stop/LMI Plan

September 17, 2004 – LMEA staff submit draft Plan to Workforce Board staff.

September 30, 2004 – Workforce Board Chair co-signs cover letter and Plan submitted to U.S. Department of Labor.

September 30-October 15 – Workforce Board and LMEA staff discuss whether or not modifications should be made in products number three through six.

October 15-October 31 – Final revisions of the Plan, if any, are made.

November 18 Workforce Board meeting – Approval of the Plan.

Late November – Modifications of the Plan, if any, submitted to Department of Labor for approval.

Interagency Committee
Meeting Notes for September 9, 2004

Attending: Debbie Cook (DSB); Kyra Kester (OSPI); Patti Stoneman-Lowe (DVR); Janet Bloom (ESD); Jim Crabbe, Brian Kanen (SBCTC); Ginger Rich (CTED); Randy Loomans (WSLC); Ellen O'Brien Saunders, Bryan Wilson, and Walt Wong (Workforce Board).

Draft October 5, 2004, Workforce Board Meeting Agenda

Ellen discussed the draft agenda for the October 5, 2004, Workforce Board meeting and the group discussed selected items:

- Priorities of Government (POG) – presentation on student guidance and planning.
- Review of operating agencies' budget requests will be action item. The agencies will provide some background information for the board packet.
- America's Career Resource Network plan – this grant supports about six activities to improve materials for K-12 and postsecondary career guidance. For action.
- Dropout issue – OSPI will report on the dropout numbers and policy issues. This is for discussion in October and action in November.
- Higher Education Planning report from SBCTC – this is a detailed look at the issue of needs for postsecondary education.
- Perkins fund priorities from SBCTC, OSPI, and the Workforce Board – follow up from the June Workforce Board meeting, showing alignment of "High Skills, High Wages" strategies against required and permissive uses for Perkins funds. This is discussion and advance planning at this meeting, with action from the Board on priorities for agency guidelines at the November meeting.
- Strategic projects and initiatives updates: This will include updates on several initiatives, including WIA Statewide Apprenticeship Training projects – questions on the cost per participant were raised at the June Workforce Board meeting and ESD is following up on this.

Budget Decision Packages and the POG

- Walt gave information on the Economic Vitality: Key Industries Initiative, which was discussed at the Workforce Board Retreat in August. Much of the Board's discussion was on limited GFS monies and thinking around funding alternatives. The Association of Washington Business and the Washington State Labor Council will discuss alternative funding strategies.
- One of the POG Results Areas is: Improving the Quality and Productivity of the Workforce. Paper shared with the IC outlined key focus areas.
- ESD's budget request includes a proposal to utilize Reed Act funds for most of the items.
- SBCTC's request includes Adult Basic Education (ABE) enhancement to encourage colleges to offer ABE/ESL even with low/no tuition. There was a question on how this enhancement will encourage integration with occupational skills and Jim Crabbe noted that it does relate. The budget request also includes increased student enrollments, Job Skills Program enhancement, and faculty raises.

- OSPI's budget request will include funding for the Franklin-Pierce career guidance model and supporting the new career guidance website. The request also includes Skill Centers FTE expansion and adjustment of non-education related costs and an increase in certain vocational instructor salaries.
- HECB's request includes money for pilot scholarship program for working adults that do not qualify for financial aid due to the low number of credits taken, money for work study programs in high-demand occupations, financial aid enhancement, student advising system for transfers, and more high-demand enrollments. On the high-demand enrollments, the HECB is proposing pooling the two-year and four-year together for \$30M total; SBCTC would like to split the money out.
- DVR's request is on the order of selection (where the agency is only able to serve the most significantly disabled clients and the other clients are on a waiting list). DVR is asking for money to serve clients on the waiting list. DVR's request also includes transition services for youth with disabilities, and service to populations with mental health issues.
- DSB has one item in their budget request—to maintain the ability to serve the same number of clients they currently serve (which is only 3 percent of the potential clients). The total amount of the request is \$70,000.

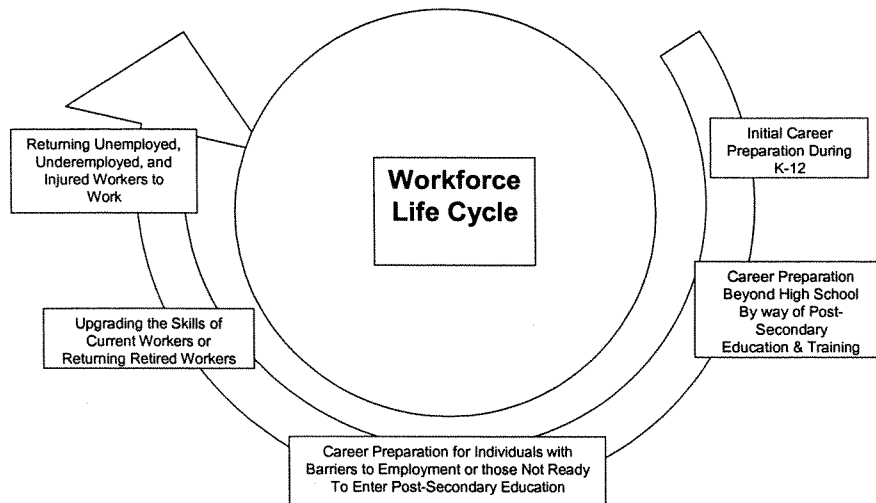
Tab 2

Priorities of Government

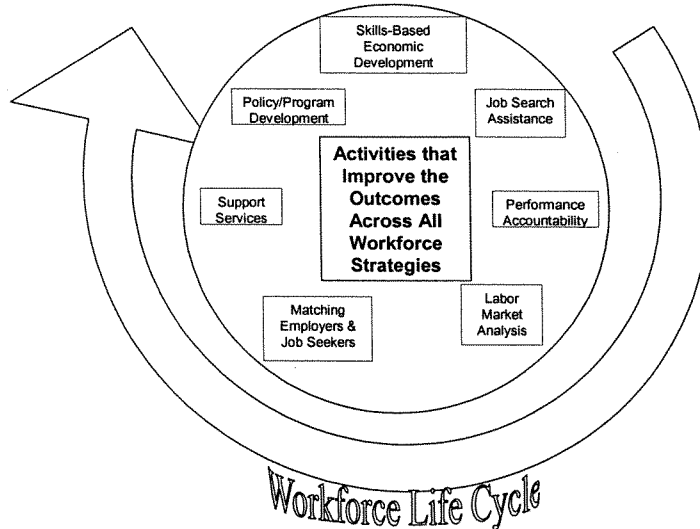
Linking workforce
development programs, career
guidance, and job placement
services

A 5-YEAR STRATEGY

Strategies for Improving the Quality and Productivity of the Workforce



Strategies for Improving the Quality and Productivity of the Workforce

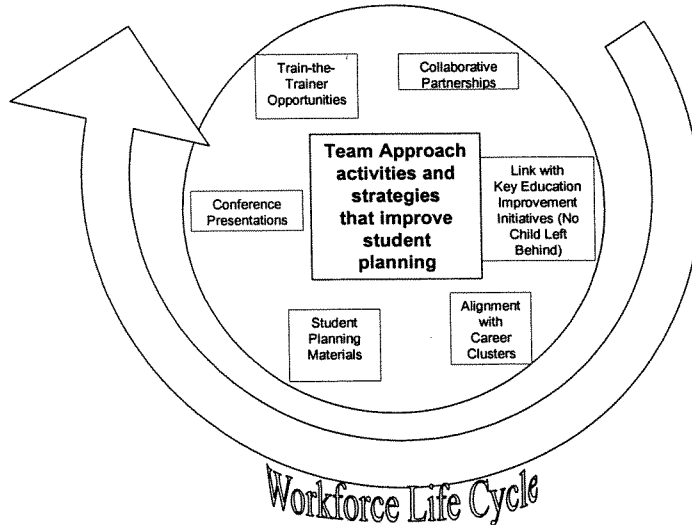


Strategies for Improving the Quality and Productivity of the Workforce

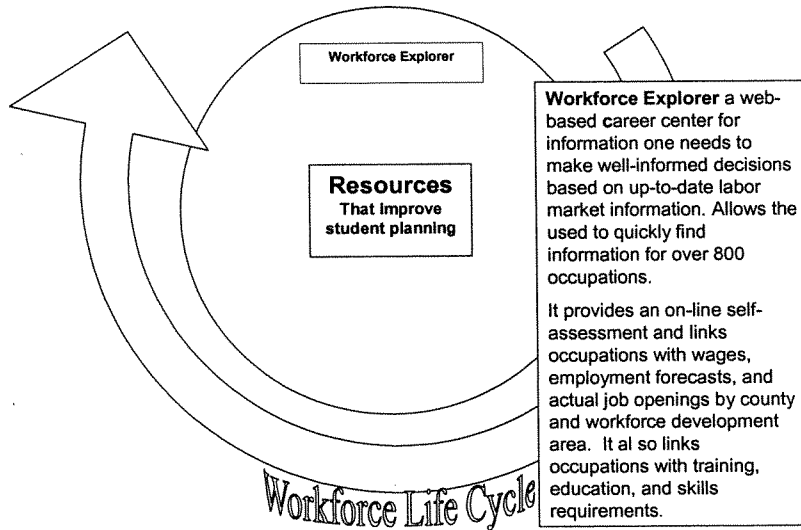
Improve linkages between workforce development programs and career guidance and job placement services, including the services provided through WorkSource.

Workforce Life Cycle

Strategies for Improving the Quality and Productivity of the Workforce



Strategies for Improving the Quality and Productivity of the Workforce



Strategies for Improving the Quality and Productivity of the Workforce

Jobs for the Sidewalk Economist

is a workbook designed to take personal experiences and observations and connect them to the world of economic data available through the Labor Market and Economic Analysis division of the Washington State Department of Employment Security.

This information can enhance career decisions by providing an understanding about the kinds of jobs available in a local labor market, the wages, the future outlook for these jobs, industries that use specific skills, and typical employers.

Workforce Explorer

Resources
That Improve
student planning

Jobs for the Sidewalk Economist and Entry Points

Workforce Life Cycle

Strategies for Improving the Quality and Productivity of the Workforce

Where are you going? Is a student planning career guide published by the Workforce Training and Education Coordinating Board.

Included in the guide is a self-assessment interest inventory, linking job interests with Career Clusters. Once the student determines an area of interest, the guide provides education, employment, and salary information that links with the chosen career area. Public and private education institutions and agencies are included in the guide, as well as tools for developing an employment portfolio.

Workforce Explorer

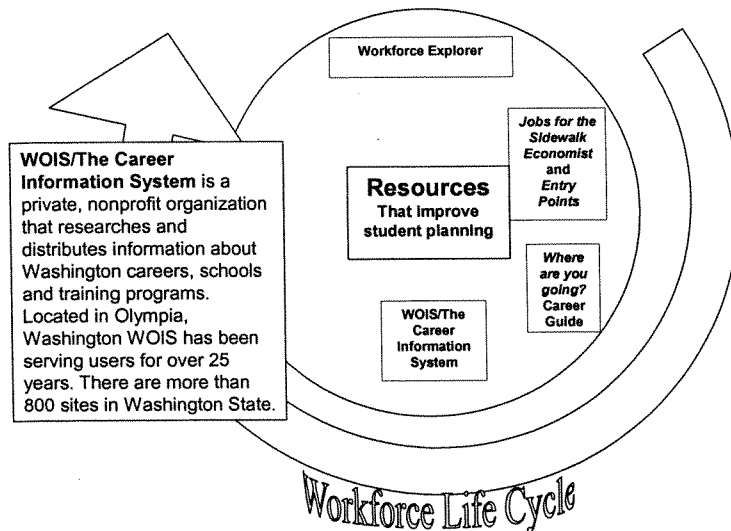
Resources
That Improve
student planning

Jobs for the Sidewalk Economist and Entry Points

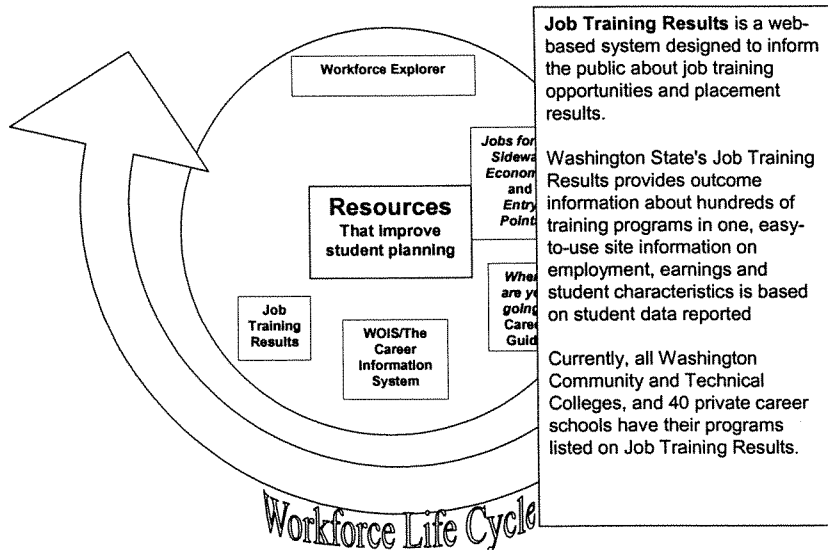
Where are you going? Career Guide

Workforce Life Cycle

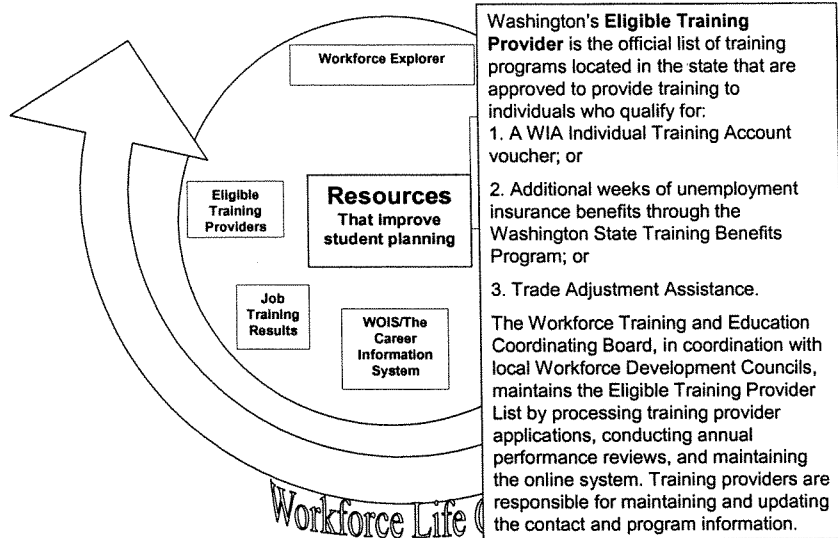
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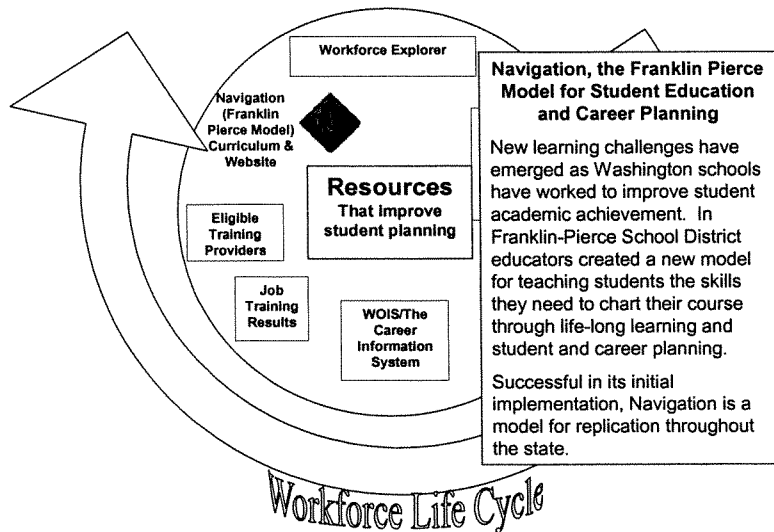
Strategies for Improving the Quality and Productivity of the Workforce



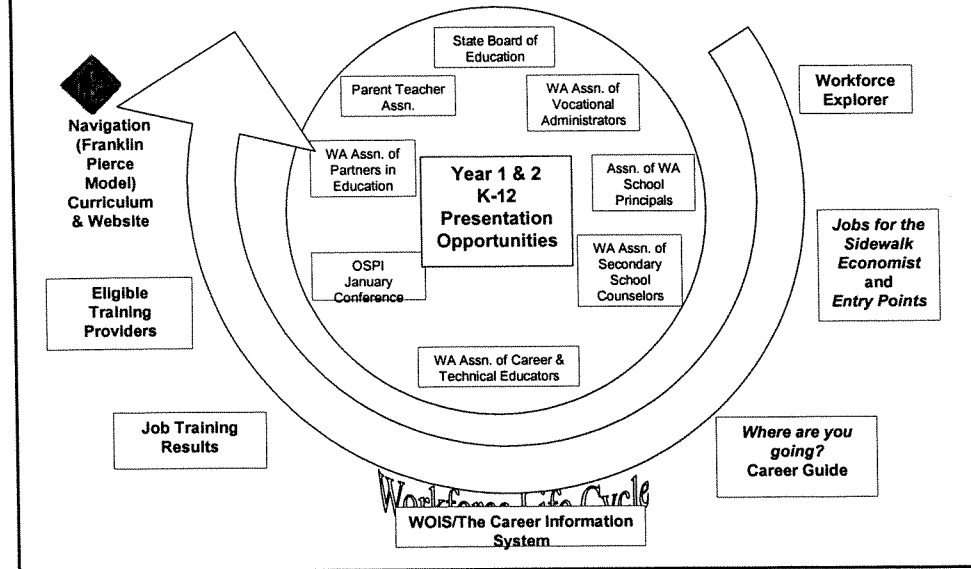
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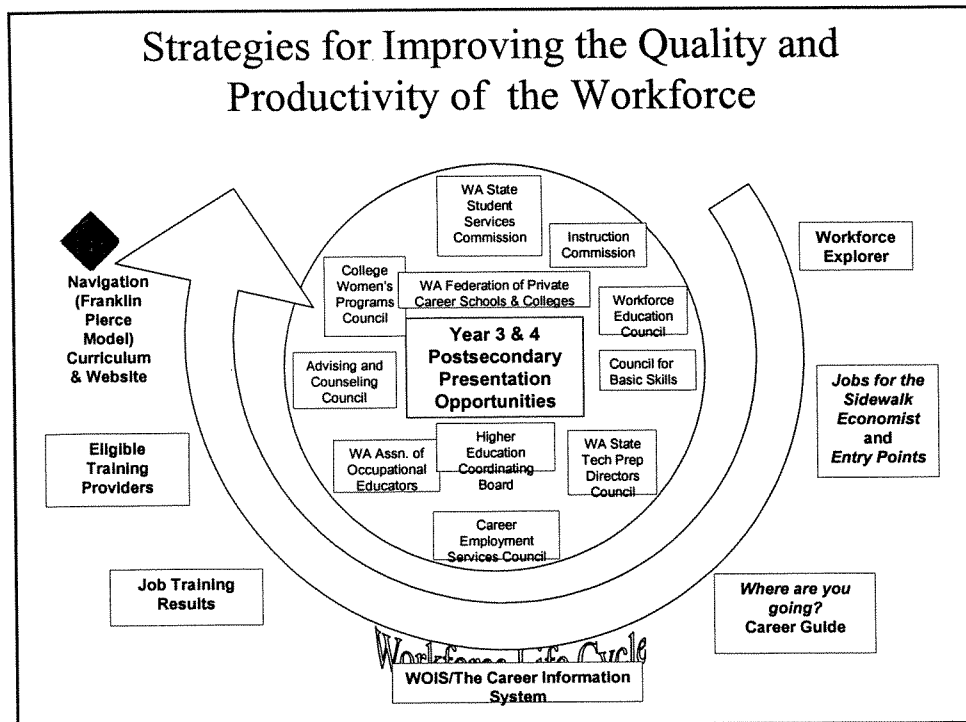
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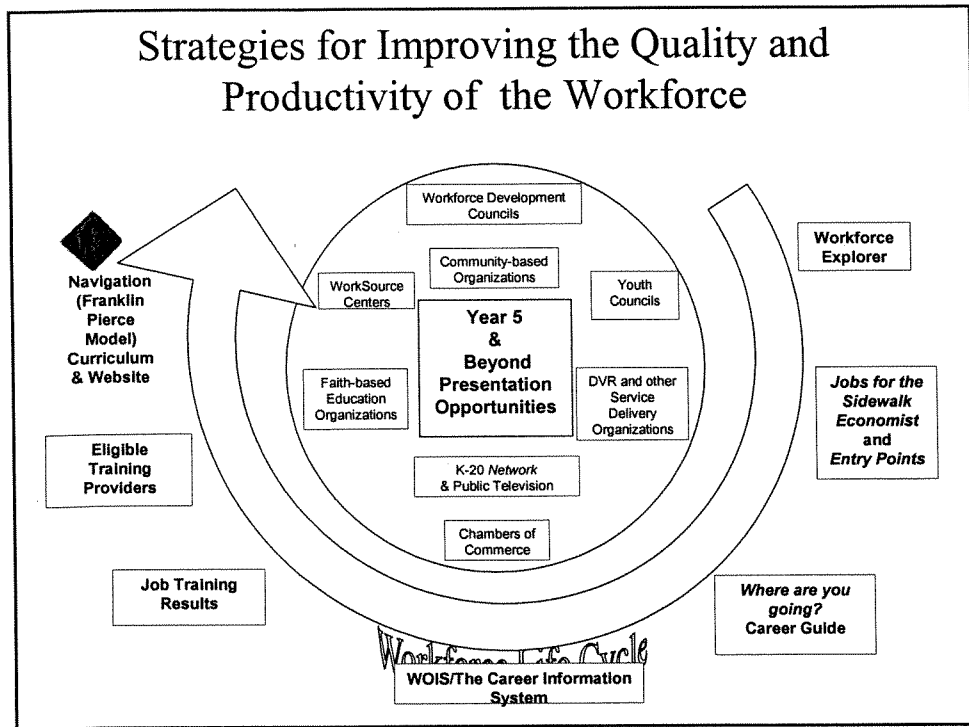
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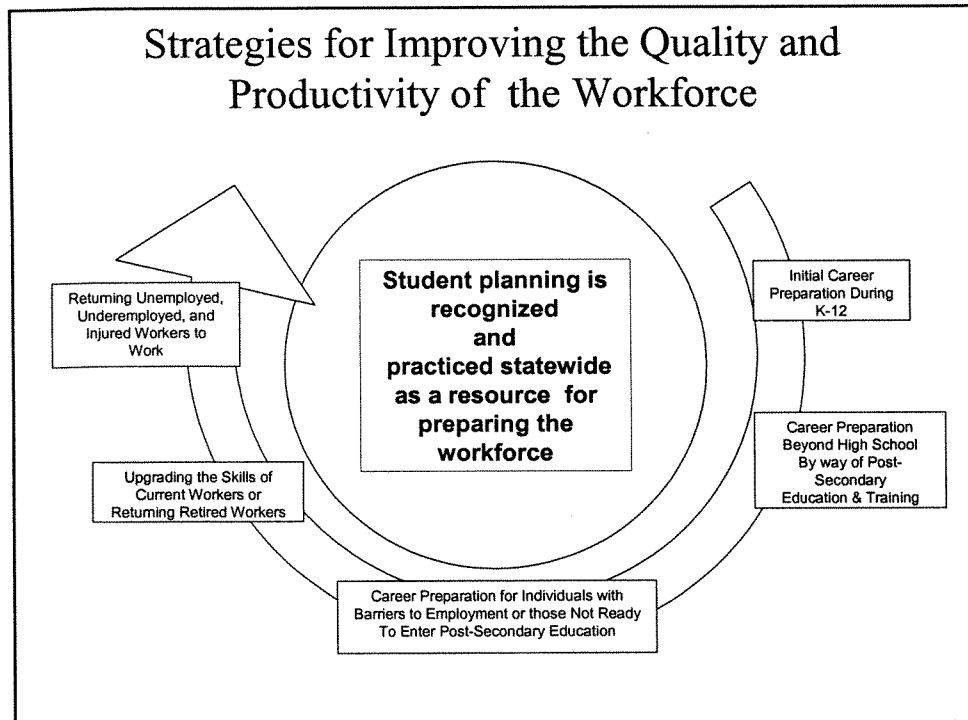
Strategies for Improving the Quality and Productivity of the Workforce



Strategies for Improving the Quality and Productivity of the Workforce



Strategies for Improving the Quality and Productivity of the Workforce



Tab 3

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 99
OCTOBER 5, 2004**

OPERATING AGENCIES' BUDGET REQUESTS FOR THE 2005-2007 BIENNIUM

Background:

RCW 28C.18.060(5) directs the Workforce Training and Education Coordinating Board (Workforce Board) to "... review and make recommendations to the Office of Financial Management and the legislature on operating and capital budget requests for operating agencies of the state training system for purposes of consistency with the state comprehensive plan for workforce training and education." In 2002, the Board adopted a set of principles, "continuous improvement" inspection questions, and a standard for priority improvements to guide that review process (see attached paper). The operating agencies have been asked to submit their budget decision packages to be examined under this review process.

State agencies have also been asked this year to focus on core services that contribute most to statewide results under the Priorities of Government (POG) process. Each agency has received instructions from the Office of Financial Management (OFM) to focus their budget requests on areas of need identified by POG teams.

Included in this tab are sections for the State Board for Community and Technical Colleges and the Office of Superintendent of Public Instruction's budget requests pertaining to workforce development that include: proposed motions; a staff analysis of the budget requests and recommendations; and the budget materials submitted by the agencies. The staff analysis and recommendations were made under the assumption that budget proposals that respond to OFM's request to focus on POG identified needs are more likely to be approved by the Governor than other budget proposals. The analysis, recommendations, and proposed motions also take into consideration the six areas of focus from the 2004 edition of *High Skills, High Wages: Washington's Strategic Plan For Workforce Development* recently adopted by the Board.

Also included in this tab for your information are descriptions of budget submittals from the Employment Security Department (ESD) and the Higher Education Coordinating Board (HECB) that may be of interest. ESD requests are presented for information only because they do not pertain to workforce development as defined in statute. HECB requests are presented for information only because HECB is not an operating agency of the workforce development system.

Board Action Requested: Adoption of the accompanying motions.

RECOMMENDED MOTION A

WHEREAS, Increasing postsecondary education and training capacity is key to ensuring we close the gap between the need of employers for skilled workers and the supply of Washington residents prepared to meet that need; and

WHEREAS, The Workforce Board's "Gap Analysis" shows that 2,800 annual workforce education student FTE increases may be required to eliminate the skills gap by 2010; and

WHEREAS, Goal 1 of *High Skills, High Wages: Washington's Strategic Plan For Workforce Development* calls for closing the gap between the need of employers for skilled workers and the supply of Washington residents prepared to meet that need; and

WHEREAS, Goal 1, Strategy 1.3.1 of the state *High Skills, High Wages: Washington's Strategic Plan For Workforce Development* specifically states: "Develop new programs and increase student enrollments in workforce training especially in high-demand industry clusters such as health care and IT;" and

WHEREAS, Education and training institutions have difficulty attracting and retaining high-quality faculty to teach in high-wage, high-demand fields, because of the opportunities available outside teaching; and

WHEREAS, Goal 1, Objective 1.3 of the state *High Skills, High Wages: Washington's Strategic Plan For Workforce Development* calls for increasing the capacity of high schools, community and technical colleges, and apprenticeship programs to provide high-quality workforce education and training programs; and

WHEREAS, Goal 1, Strategy 1.3.6 of the state *High Skills, High Wages: Washington's Strategic Plan For Workforce Development* specifically provides for increasing the number of individuals prepared to teach students for high-wage, high-demand fields;

WHEREAS, The Priorities of Government from the Office of Financial Management instructions identify "Expanded training in high-demand fields demanded by employers" as a specific area of focus for the State Board for Community and Technical Colleges; and

WHEREAS, Expanding customized training for incumbent workers helps our businesses to be more competitive in the world and our workers more competitive in the labor market; and

WHEREAS, Objective 2.1 of the state *High Skills, High Wages: Washington's Strategic Plan For Workforce Development* calls for increasing economic competitiveness and preventing dislocation by expanding customized incumbent worker training; and

WHEREAS, Goal 2, Strategy 2.1.1 of the state *High Skills, High Wages: Washington's Strategic Plan For Workforce Development* specifically provides for increasing publicly supported customized incumbent worker training, and providing incentives to both employers and employees for this type of training; and

WHEREAS, The Priorities of Government from the Office of Financial Management instructions lists “increase linkages to employers” as a specific area of focus for the State Board for Community and Technical Colleges; and

WHEREAS, Without education and training opportunities our illiterate population, immigrants, low-income workers, and unemployed can be stuck in dead end jobs; and

WHEREAS, Goal 3, Objective 3.2 of the state *High Skills, High Wages: Washington's Strategic Plan For Workforce Development* calls for assisting unemployed individuals to gain and retain employment, and assist low-income individuals to achieve wage progression.

THEREFORE BE IT RESOLVED, That the Workforce Training and Education Coordinating Board endorses the State Board for Community and Technical Colleges' budget requests for new enrollments, additional funds for faculty recruitment and retention, and an increased investment in the Job Skills Program, as being consistent with its review criteria and as priorities for Board advocacy in that they specifically implement strategies of focus as set forth in the 2004 state *High Skills, High Wages: Washington's Strategic Plan For Workforce Development*; and

THEREFORE BE IT FURTHER RESOLVED, That the Workforce Training and Education Coordinating Board endorses the State Board for Community and Technical Colleges' budget request for enhanced funding for adult basic education as being consistent with its review criteria.

RECOMMENDED MOTION B

WHEREAS, Goal 1, Strategy 1.2.1 of *High Skills, High Wages: Washington's Strategic Plan For Workforce Development* calls for developing individual career plans that are integrated with a range of school programs to ensure all youth are aware of the link between learning and employment, and their career options including high-wage, high-demand occupations, and nontraditional occupations; and

WHEREAS, Integrating career guidance into school curricula is necessary for ensuring youth take full advantage of their opportunities in high school and are prepared for success after high school; and

WHEREAS, The Priorities of Government team instructions ask the Office of Superintendent of Public Instruction to focus on solutions to ensure "models of student-centered programs and supports are available for use by schools..." to improve transitions from secondary to postsecondary; and

WHEREAS, The opportunity to attend vocational skills centers is available to a relatively small number of students due to limits on summer enrollment funding, limits on the definition of a full-time student, and the high cost of equipment, tools, and computer-assisted programs in vocational education; and

WHEREAS, Goal 1, Objective 1.3 of the state *High Skills, High Wages: Washington's Strategic Plan For Workforce Development* specifically calls for increasing the capacity of high schools, community and technical colleges, and apprenticeship programs to provide high-quality workforce education and training programs; and

WHEREAS, Strategy 1.3.1 of the state *High Skills, High Wages: Washington's Strategic Plan For Workforce Development* calls for developing new programs and increasing student enrollments in workforce training; and

WHEREAS, recruiting and retaining individuals with industry experience as teachers in secondary career and technical education is difficult due to the lack of recognition on the state salary schedule of their years of industry experience; and

WHEREAS, Goal 1, Strategy 1.3.6 provides for increasing the number of individuals prepared to teach students.

THEREFORE BE IT RESOLVED, That the Workforce Training and Education Coordinating Board endorses the Office of Superintendent of Public Instruction budget requests to expand use of an effective guidance and counseling model, expand use of vocational skills centers, and recognize on the salary schedule the experience of vocational educators' experience as being consistent with its review criteria and as a priority for Board advocacy in that they specifically implement strategies of focus as set forth in the 2004 state *High Skills, High Wages: Washington's Strategic Plan For Workforce Development*.

AGENCY BUDGET REQUESTS FOR THE 2005-2007 BIENNIUM:

Principles and Inspection Questions

Principles

- Be consistent with the state strategic plan for workforce development.
- Be responsive to areas of possible improvement identified in *Workforce Training Results*, *Workforce Training: Supply, Demand, and Gaps*, and other evaluative efforts that acknowledge customer needs.
- Be informed by continuous quality improvement efforts.
- Reflect long-term thinking, as well as short-term and immediate funding needs.

Continuous Improvement Inspection Questions

- How does the request relate to the agency's strategic plan, activity inventory, and appropriate goals and performance measures?
- How were the views of business and labor customers included in developing the funding request?
- How was the information on program results used to determine funding priorities?
- How will results related to the expenditure be measured?
- How will the expenditures be integrated with current activities and/or coordinated with other agencies work?
- Rationale for additional resources beyond current funding level.

Priority for Board Advocacy

The Board will provide the highest level of support during the upcoming legislative session to operating agency budget requests that implement the strategies set forth in the state *High Skills, High Wages: Washington's Strategic Plan For Workforce Development*, provided such requests are endorsed by the Governor.

WTECB Staff Analysis – Agency Budget Requests for the 2005 Legislative Session

Washington State Board for Community and Technical Colleges

Analysis Summary of SBCTC Workforce-Related Budget Requests

The State Board for Community and Technical Colleges (SBCTC) is submitting budget requests for: (1) new general enrollments at an enhanced funding level, including a 10 percent set-aside for high-demand enrollments; (2) providing recruitment and retention increases to community and technical college employees; (3) increasing the investment in training grants provided by the Job Skills Program (JSP); and (4) maintaining current adult basic education service levels. These initiatives are consistent with the state strategic plan for workforce development and the budget review criteria. Initiatives (1) through (3) also meet the criteria as a priority for Board advocacy during the upcoming legislative session.

Analysis of Individual Requests:

New Enrollments: Community and technical colleges are the primary job trainers in the state. Developing the skill levels in Washington's employment pool to match the needs of employers is mostly dependent on state funding. In recent years, the community and technical colleges have substantially increased their student FTEs in workforce education programs. But there is still a large skills gap. Without an increase in supply from the 2001-2002 school year, the supply of newly prepared workers will be 82 percent of expected demand in 2007 and 79.5 percent of expected demand in 2010.

SBCTC is requesting \$84.75 million in General Fund State monies for 10,000 new enrollments for the 2005-2007 biennium. Enrollments would increase at 5,000 in each fiscal year, funded at an enhanced level of \$5,650 per student FTE. This increase is the total increase for the colleges' three mission areas of workforce education, academic transfer to four-year institutions, and basic skills education. Of the FTEs proposed, SBCTC is committed to allocating 10 percent of the increased enrollment to a competitive process for colleges to increase enrollment in high-demand fields, predicated on the enhanced funding level.

Goal 1 of the state *High Skills, High Wages: Washington's Strategic Plan For Workforce Development* calls for closing the gap between the need of employers for skilled workers and the supply of Washington residents prepared to meet that need. Strategy 1.3.1 of the state *High Skills, High Wages: Washington's Strategic Plan For Workforce Development* specifically states: "Develop new programs and increase student enrollments in workforce training especially in high-demand industry clusters such as health care and IT."

The Priorities of Government (POG) instructions identify "Expanded training in high-demand fields demanded by employers" as a specific area of focus for SBCTC.

The following table shows how many more workforce education FTEs are needed to bridge the skills gap under various assumptions. In recent years, about half of the nonbaccalaureate student FTEs have ended up in workforce education. If this pattern persists, we can expect that SBCTC's request would fund about 5,000 additional workforce education FTEs during the biennium, or about 2,500 per year.

<i>Annual FTE increases required to close the gap under different assumptions</i>		
Percent of Gap Closed by 2010	Extent of Efficiency Gain (percent reduction in FTE/Worker ratio)	
	No Gain	10 Percent Gain
100%	2,800	1,900
75%	1,700	1,400
50%	1,400	900

As suggested by the table, an increase of 2,500 workforce education FTEs per year would put the state on track to close the skills gap by the end of the decade.

Faculty Retention and Recruitment:

Education and training institutions have difficulty retaining high-quality faculty in high-wage, high-demand fields, because of the opportunities available outside teaching. This is also a problem when recruiting postsecondary career and technical education teachers; it may be hard to attract them away from industry jobs. With stagnating state funding for salaries, community colleges need to find ways of attracting and retaining teachers, especially in high-demand fields such as nursing, allied health, mathematics, and many of the general sciences. They also face replacing a substantial number of faculty and staff who came into the system as it was being formed in the late 1960s and early 1970s.

SBCTC is requesting \$33 million (\$11 million in 2005-2006 and 22.3 million in 2006-2007) to improve colleges' competitiveness in the employment marketplace by providing recruitment and retention increases to community and technical college employees.

Goal 1, Objective 1.3 of the state *High Skills, High Wages: Washington's Strategic Plan For Workforce Development* calls for increasing the capacity of high schools, community and technical colleges, and apprenticeship programs to provide high-quality workforce education and training programs. Strategy 1.3.6 specifically provides for increasing the number of individuals prepared to teach students for high-wage, high-demand fields.

POG instructions identify "Expanded training in high-demand fields demanded by employers" as a specific area of focus for the SBCTC. Attracting and retaining faculty is directly related to this POG focus area.

Job Skills Program:

Incumbent and dislocated worker training is part of a continuum of workforce development. By enhancing the skills of workers who are currently employed, we can enable them and their employers to be more competitive, and we can sometimes prevent dislocations.

One of the most effective ways to increase the competitiveness of employers is to provide training customized to the specific needs of employers. The Governor's Competitiveness Council has endorsed more customized training, an efficient and effective method since it is designed to meet specific employer needs. Unfortunately, Washington has ranked near the bottom in per capita expenditures among the 47 states with job-linked customized training. According to a 1998 National Governors Association survey (the most recent national data), states spent over \$575 million per year on job-linked training. Washington was last among the 47 states that support this type of training, investing only \$558,000 per year in state dollars. Since that time, Washington has increased its investment in customized occupational skills training through JSP. While funding for JSP was increased in the 2003-2005 biennium from \$1.14 million to \$2.95 million, the state's investment is still far behind most other states.

SBCTC is requesting an additional investment of \$7.05 million in the 2005-2007 biennium to increase training grants provided by JSP and is asking that the program be fully funded by the General Fund State. Currently the program is funded at \$2.95 million from the Administrative Contingency account. Their request would bring total funding to \$10 million from the General Fund State.

Objective 2.1 of the state *High Skills, High Wages: Washington's Strategic Plan For Workforce Development* calls for increasing economic competitiveness and preventing dislocation by expanding customized incumbent worker training. Strategy 2.1.1 specifically provides for increasing publicly supported customized incumbent worker training, and providing incentives to both employers and employees for this type of training.

The POG team instructions lists "increase linkages to employers" and "expanded training in high-demand fields demanded by employers" as specific areas of focus for SBCTC. Coupled with the Workforce Board's request for increased funding for industry skill panels, the proposed additional investment in JSP addresses these focus areas.

Adult Basic Education Enhanced Funding:

Without education and training opportunities our illiterate population, immigrants, low-income workers, and unemployed can be stuck in dead ends. SBCTC is requesting \$10 million in General Fund State dollars to maintain current adult basic education FTEs service levels.

Goal 3, Objective 3.2 of the state *High Skills, High Wages: Washington's Strategic Plan For Workforce Development* calls for assisting unemployed individuals to gain and retain employment, and assist low-income individuals to achieve wage progression. Goal 3, Strategy 3.2.5 calls for increasing basic skills and English-as-a-Second Language instruction that is integrated with occupational skills training.

The POG team instructions ask SBCTC to focus in their budget request on the "integration of adult literacy and occupational skills training."

The request for enhanced adult basic education funding does not directly address the issue of integration of adult basic education with occupational skills training. The requested funds could be used for adult basic education programs that are not integrated with training. Unless the request is modified to direct funds for integration, the request does not satisfy the intent for priority support.

Recommendations

1. It is recommended that the Workforce Board endorse each of the following SBCTC budget requests as being consistent with its review criteria and as priorities for Board advocacy in that they specifically implement strategies of focus as set forth in the state *High Skills, High Wages: Washington's Strategic Plan For Workforce Development*:
 - *New Enrollment*: A \$84.75 million increase for 10,000 new enrollments.
 - *Faculty Recruitment and Retention*: \$33 million to improve the college's competitiveness in the employment marketplace.
 - *Job Skills Program*: An additional investment of \$7.05 million to increase JSP training grants.
2. It is recommended that the Workforce Board endorse SBCTC's budget request for enhanced funding for adult basic education as being consistent with its review criteria.

Analysis Summary of the Office of Superintendent of Public Instruction Workforce-Related Budget Request

The Office of Superintendent of Public Instruction (OSPI) is submitting budget requests to: (1) expand use of an effective guidance and counseling model; (2) expand use of vocational skills centers; and (3) recognize the experience of vocational educators' experience on the salary schedule. These proposals are consistent with the state strategic plan for workforce development and the budget review criteria, and meet the criteria as a priority for Board advocacy during the upcoming legislative session.

Analysis of Budget Requests:

Career Guidance:

Washington State's K-12 Learning Goal 4 states that all students should "understand the importance of work and how performance, effort, and decisions directly affect future career and educational opportunities." Individual career plans help students meet this goal. Such plans should link long-term planning with short-term decisions about courses or programs and enable youth to identify their interests and aspirations. Schools should employ a number of techniques to improve the effectiveness of career plans so that they are not "stand-alone" items, but are intrinsic to the student's entire high school program. They should be connected to other courses and programs, the curriculum, career guidance tools, and labor market information and assessments. OSPI, in association with local school districts and other state and local student and adult organizations, is developing an intensive program to help students, families, educators, and other members of school communities meet these challenges.

OSPI is requesting \$1.495 million in General Fund State dollars for the 2005-2007 biennium to expand use of an effective guidance and counseling model developed by the Franklin Pierce School District, including continued development and refinement of on-line guidance and planning tools for students and their families.

Strategy 1.2.1 of the state *High Skills, High Wages: Washington's Strategic Plan For Workforce Development* calls for developing individual career plans that are integrated with a range of school programs to ensure all youth are aware of the link between learning and employment, and their career options including high-wage, high-demand occupations, and nontraditional occupations.

The Priorities of Government (POG) team instructions ask OSPI to focus on solutions to ensure "models of student-centered programs and supports are available for use by schools..." to improve transitions from secondary to postsecondary, including "developing an individual student plan template for achieving high school graduation and preparation for steps beyond high school."

Vocational Skills Centers Expansion:

Vocational Skills Centers (VSCs) offer programs in the summer and regular school year to students pursuing occupational training in an applied setting or to those who need to earn academic credits. This opportunity is available to a relatively small number of students due to limits on summer enrollment funding, limits on the definition of a full-time student, and the high cost of equipment, tools, and computer-assisted programs in vocational education.

OSPI is requesting \$3.593 million in General Fund State dollars for the 2005-2007 biennium to increase the number of students who can be served by VSCs, the number of hours students can be enrolled in programs, and the amount of funding for program equipment.

Goal 1 of the state *High Skills, High Wages: Washington's Strategic Plan For Workforce Development* calls for closing the gap between the need of employers for skilled workers and the supply of Washington residents prepared to meet that need. Goal 1, Objective 1.3 of the state *High Skills, High Wages: Washington's Strategic Plan For Workforce Development* specifically calls for increasing the capacity of high schools, community and technical colleges, and apprenticeship programs to provide high-quality workforce education and training programs. Strategy 1.3.1 of the state *High Skills, High Wages: Washington's Strategic Plan For Workforce Development*: "Develop new programs and increase student enrollments in workforce training...."

Salary Recognition of Vocational Educators' Experience:

Current OSPI rules govern what school districts can authorize as experience on the state allocation model, and indirectly, what school staff can be paid. At this time, allowable experience is limited to experience in the education field only. Therefore, recruiting and retaining individuals with industry experience as teachers in secondary career and technical education is difficult.

OSPI is requesting \$19.621 million in General Fund State expenditure authority for the 2005-2007 biennium that would accommodate a change in salary rules that would allow the occupational experience of vocational certificated instructors to be recognized as the highest degree level regardless of any previous related degree earned. The budget request would also accommodate a change in salary rules to recognize up to five years of relevant, prior experience for Educational Staff Associates (school psychologists, speech-language pathologists, and nurses).

Goal 1, Objective 1.3 of the state *High Skills, High Wages: Washington's Strategic Plan For Workforce Development* calls for increasing the capacity of high schools, community and technical colleges, and apprenticeship programs to provide high-quality workforce education and training programs. Strategy 1.3.6 specifically provides for increasing the number of individuals prepared to teach students for high-wage, high-demand fields.

Recommendation

It is recommended that the Workforce Board endorse OSPI budget requests to expand use of an effective guidance and counseling model, expand use of vocational skills centers, and recognize the experience of vocational educators' experience on the salary schedule as being consistent with its review criteria, and as a priority for Board advocacy in that they specifically implement goals, objectives, and strategies set forth in the state *High Skills, High Wages: Washington's Strategic Plan For Workforce Development*.

ENROLLMENT GROWTH

POG Statewide Result(s) Affected: #2 - Improve the quality and productivity of our workforce

#3 - Improve the value of postsecondary learning

SBCTC Strategic Goal(s) Addressed: Access to Affordable Higher Education

Colleges recognize the need for lifelong learning and will continue to offer every adult Washington resident the opportunity to receive an affordable, high-quality basic skills and college education.

At the heart of the community and technical college mission is affordable access to every citizen of the state of Washington. In fact, the two-year colleges' enabling statutes make it very clear:

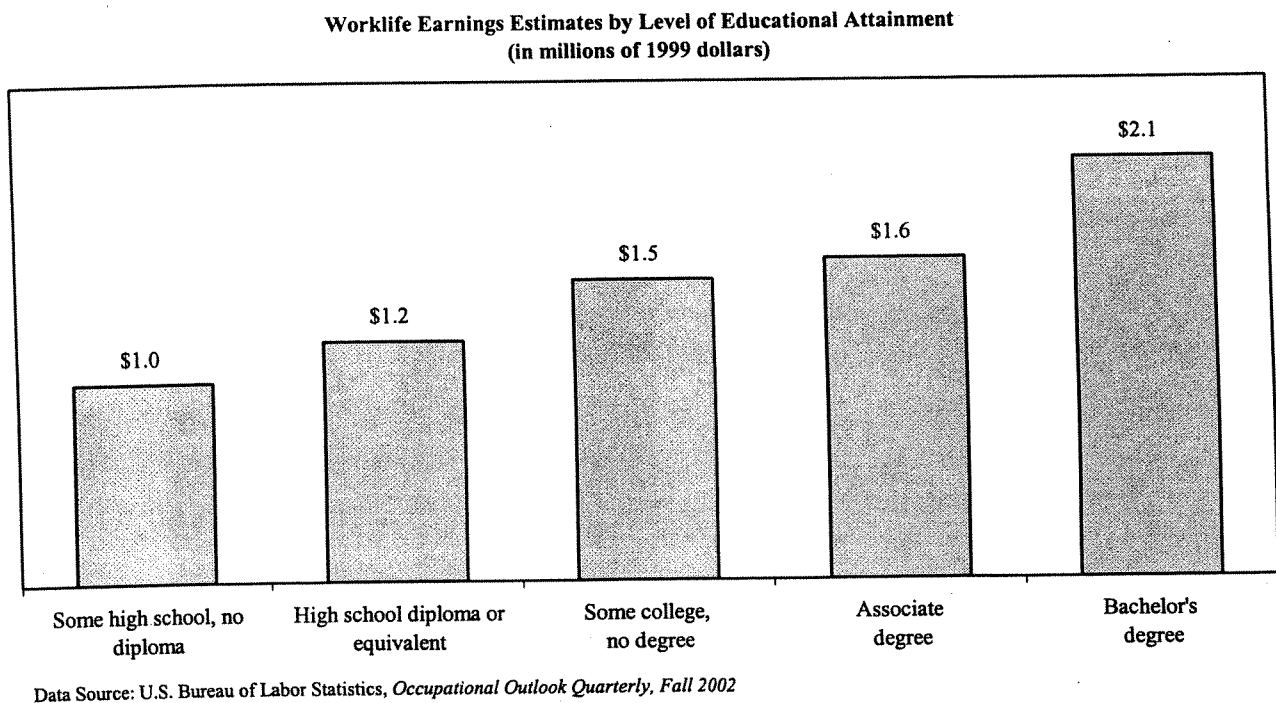
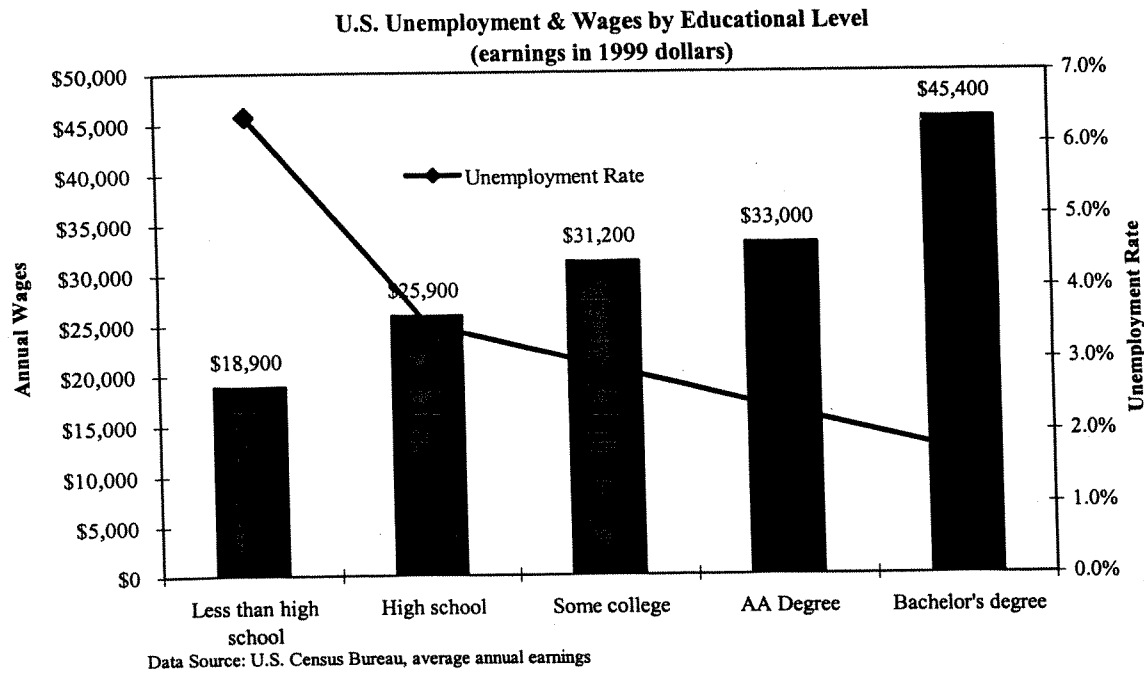
“The purpose of this chapter is to provide for the dramatically increasing number of students requiring high standards of education either as a part of the continuing higher education program or for occupational education and training, or for adult basic skills and literacy education, by creating a new, independent system of community and technical colleges which will . . . offer an open door to every citizen, regardless of his or her academic background or experience, at a cost normally within his or her economic means.” RCW 28B.50.020

It is not surprising that the two-year colleges have experienced a rapid increase in the demand for their services. It is uniquely the two-year college system, with its open-door approach, that provides a comprehensive slate of programs for full-time students, working adults, and those with literacy needs. Moreover, it has been well documented that the more education one obtains, the higher one's earnings. As the following charts indicate, students who obtain a GED can expect to earn an additional \$7,000 per year with a lifetime benefit of over \$200,000 in additional earnings. Moreover, individuals who obtain a high school diploma or GED are unemployed at half the rate of those who do not complete the diploma or GED. Students with a high school diploma or GED who complete even one year of college can expect to earn an additional \$5,300 per year with a lifetime benefit of an additional \$300,000.

Almost 80 percent of the new Washington jobs created between now and 2010 will require less than a bachelor's degree. The required skills for these jobs can be obtained through the two-year college system in specialized workforce training and literacy programs. Clearly, the open-door mission of the two-year colleges provides the critical access necessary to meet individual needs and those of the statewide economy as a whole.



Purchase
Strategy



Recent Budget Cuts have Impacted Service Delivery

Due to the state's recent fiscal challenges, the open-door mandate placed upon the two-year colleges is being threatened. For example, in FY 2004, the two-year college system experienced a \$22 million budget cut to program offerings, while tuition was increased by 7 percent. This tuition increase yielded the colleges only \$11.5 million to offset the budget cut. As a result of this action, colleges have been forced to scale back programs. For example, over 300 night course sections were cut in the last year; these are the sections that typically serve



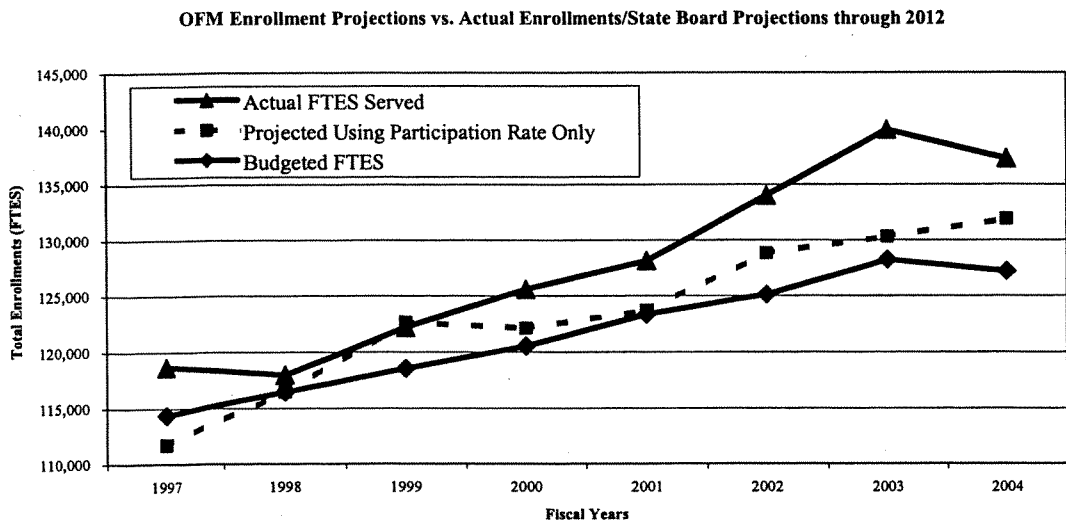
working adults attempting to upgrade job skills. Growing dependence on tuition revenue has also forced colleges to scale back on tuition-waivered programs such as basic skills, resulting in less opportunity for adult learners and non-English speaking populations to gain the literacy and workplace skills they need. These cutbacks come at a time when employers have stated that their economic futures depend in large part on a labor force that must have access to workforce training programs and on a dramatically growing non-English speaking population that is expected to double over the next ten years.

Demand for access to the two-year colleges has grown consistently, with full-time equivalent students increasing by nearly 14,000 over the last five years. However, the FY 2004 budget cuts exceeded additional tuition revenue by over \$10.5 million, forcing two-year colleges to limit enrollments. Despite a small reduction in overall students served, the colleges are still serving 11,000 FTES more than the state funds, and demand for access continues to mount. To continue to meet enrollment demand over the next two years, the community and technical colleges are requesting an additional 10,000 full-time equivalent students - 5,000 each year - for the 2005-07 biennium. This request is intended to keep up with demand and is not expected to reduce the existing unfunded overenrollment.

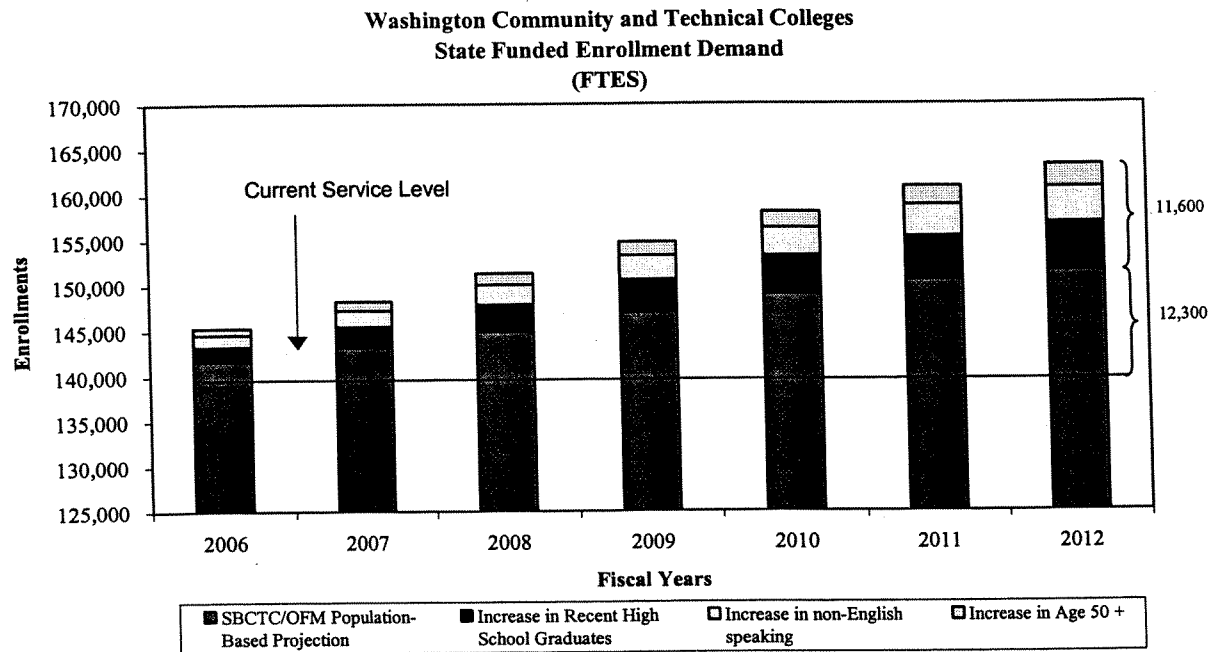
This request results from a strategic enrollment planning analysis conducted at the State Board. It is based upon projected population growth as well as several demographic trends. These demographic trends include continuation of the long-term trend of higher participation rates of recent high school graduates, growing demand from non-English speaking citizens, and an increasing participation rate of the number of baby boomers seeking to retrain to meet the demands of their current employment or to retrain for a new job.

Demographics – Keeping Up with Population Growth and Changing Demographics

Historically, OFM has developed enrollment forecasts based on population growth and the participation rates of students at the time of that forecast. However, throughout the better part of the last decade, population growth alone has failed to capture the reality of college-going behavior. As the chart below indicates, both the population-based forecasts of OFM and the budgeted FTES levels provided by the Legislature have not kept pace with demand for the two-year colleges.



12,300 additional enrollments will be needed through 2012 simply to address OFM's projected population growth in the state, assuming current participation rates. However, as in the recent past, participation rates are not projected to remain static, particularly among younger students, non-English speakers, and older adults. When increasing participation rates are included, the demand for additional enrollment nearly doubles through 2012, to a total forecasted need of 24,000 additional enrollment slots.



Source: Operating Budget Office enrollment forecast

Changing Two-Year Colleges' Enrollment Patterns – More Young Adult Students, More Diversity

The arrival of the baby boom echo has begun to affect enrollment patterns at the community and technical colleges. Colleges report an increase in the number of young adult students. Over the last five years, the percentage of students 24 and younger has risen from 43 percent to 45 percent. This 2 percent change represents nearly 4,000 additional enrollments due exclusively to a higher participation rate. Therefore, not only are there more high school students graduating each year, but a greater share of them are choosing to access higher education, especially the two-year college system. In fact over 50 percent of recent high school graduates (those within 3 years of high school) enroll in community and technical colleges.

Growing Demand from Non-English Speakers

The two-year colleges are the primary providers of adult basic education and English as a Second Language (ESL) in the state of Washington. The non-English speaking population has doubled in the last decade. It is expected to double again over the next ten years. This will place tremendous demand on ESL programs and ultimately on the transfer and workforce programs as many of these students make the transition to college-level and workforce preparation courses.

Retraining the Baby Boomers

A growing number of baby boomers find themselves in need of upgrading their skills. With a longer life expectancy and an increase in the age for Social Security eligibility, more and more adults are realizing that in order to maintain their incomes up to the point when they retire, they will be required to update their skills to adjust to the rapidly changing knowledge-based economy. Colleges are faced with a growing number of adult learners who are returning to the two-year system to keep their skills up to date, many of whom already possess an associate degree or higher level of education. Colleges will need additional enrollment funding in order to continually adjust curricula to meet the needs of these baby boomers. A number of jobs in Washington state are in fields in which there are few trained workers. Two-year colleges are uniquely positioned to offer training in these fields.

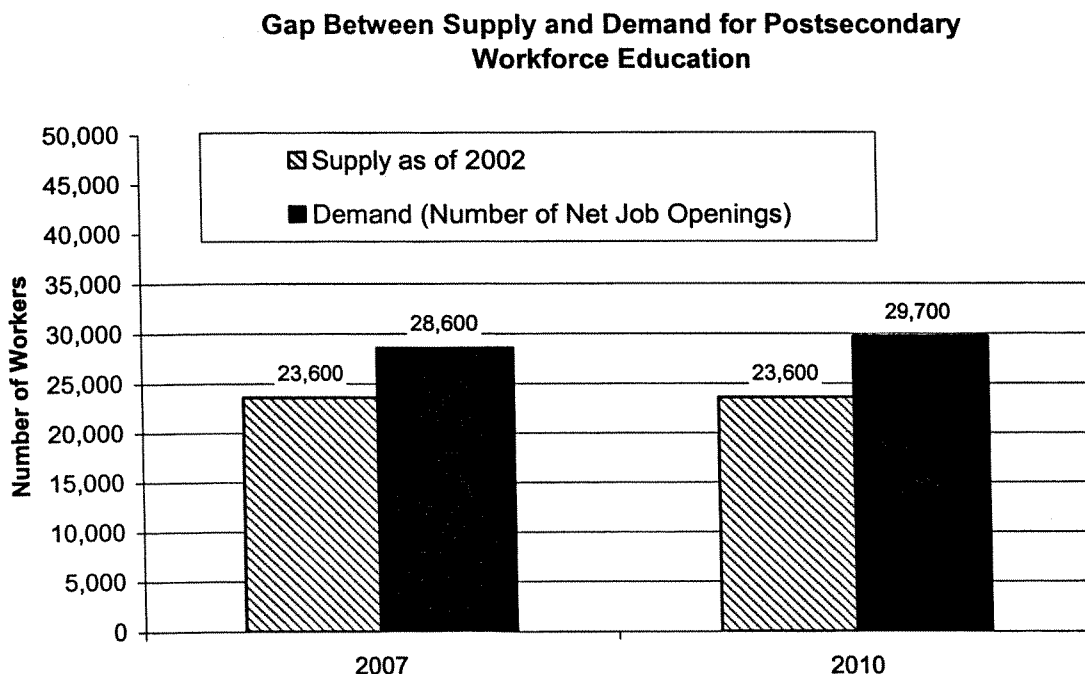
High-Demand Programs

Provided the Legislature authorizes additional enrollments at \$5,650 per FTES, the community and technical colleges will commit 10 percent of the total requested enrollments to competitively bid high-demand/high-cost programs such as nursing, allied health, information technology, light manufacturing, and other selected fields. At \$5,650 per general enrollment, the colleges can offer courses in their core programs and develop a pool of "super-funded" high-demand FTES.

In recent years, the Legislature has cut college funds and replaced them only in part with tuition and targeted enrollments. This has eroded colleges' ability to offer core programs. While additional nurses in the current environment are critical and the colleges have shown tremendous flexibility as they have embraced these programs, there remains a core need to serve students who seek to transfer to the universities, to serve adult basic education students,

and to serve students in workforce programs that are not currently grabbing the headlines, but whose skills are still needed.

Community and technical colleges are the primary job trainers in the state. The Workforce Training and Education Coordinating Board (WTECB) identifies the need for more postsecondary job training by the community and technical colleges to close the “skills gap” between employer job requirements and skill levels in Washington’s employment pool. It finds more enrollments are necessary to fill the gap between the economy’s need for trained workers and colleges’ current production of those workers. In fact, the WTECB has shown that even with population growth, employer demand will still outpace the available supply of skilled workers.



Source: Workforce Training and Education Coordinating Board: *Demand, Supply and Results for Postsecondary Career & Technical Education*.

As the chart indicates, the supply of skilled workers will leave an unmet need for employers unless additional people are trained. The WTECB estimates that with natural attrition, and a growing number of workforce students transferring to four-year universities, an additional 2,800 FTES per year are needed in the workforce arena to actually infuse the economy with an additional 6,100 skilled workers by 2010. With the community and technical colleges’ enrollment request, a large share of the employment gap can be filled if two-year colleges continue to enroll nearly 50 percent of new students in workforce education and adult basic education programs.

Community and technical colleges are committed to focusing on several key industries experiencing considerable demand and providing substantial wages. According to data from the Department of Community, Trade and Economic Development, the Workforce Training and Education Coordinating Board, and Employment Security Department, those targeted industries include: health care, such as nursing and radiological techs; information technology, such as systems engineers; educational services; technical services like bioinformatics; select

manufacturing sectors, such as aerospace; and residential construction. These targeted areas make up 42 percent of the recent job vacancies and have a median starting wage of over \$15 per hour. By emphasizing a targeted industry approach, two-year colleges can more effectively align workforce education programs with economic development and therefore improve the supply-demand channels between education and private industry.

General Enrollment Allocation to Colleges

Enrollment growth, when funded by the Legislature, will be differentially allocated to colleges based on demographic and economic needs in local communities. This proposal continues the long-standing State Board policy to target the enrollment growth to colleges' communities based upon expected demand for access. The distribution of the requested FTES to each college district is attached.

What Programs will the Colleges Address with the New Enrollment Funding?



Most colleges plan to distribute requested enrollment growth across all three of the two-year college mission areas - academic transfer, workforce and basic skills - with varying degrees of emphasis depending on each college's local community's needs.

In addition, the decisions around where to target enrollment growth are dependent upon the State per-FTE funding levels. If state funding were to fall below the level requested, one-third of the colleges would modify their enrollment plans.

Approximately one-third of college districts will increase emphasis on workforce programs, including:

Grays Harbor College plans to expand programs in welding and marine finish carpentry.

Lake Washington Technical College, which will direct 100 percent of its enrollment growth to workforce education, particularly in health and dental care and manufacturing. At Lake Washington, funding shortfalls have led to substantial student waiting lists, with wait times of up to one year for certain high-demand programs.

The **Pierce College District** will develop nursing and dental hygiene capacity as well as homeland security and materials science and construction management.

Cascadia Community College will add new professional/technical programs in the information technology area, including computer security, data management, game design/digital arts, and informatics.

The **Seattle Community College District** will place emphasis on workforce programs such as health care and engineering.

Yakima Valley Community College will strengthen high-demand programs such as allied health, as well as high-demand support programs such as biology and math.

Wenatchee Valley College will expand offerings in allied health, computer technology, and core courses leading to training in electronics, refrigeration and welding.

Other colleges intending to grow workforce offerings include **Shoreline, Big Bend, Clark, Everett, Highline, the Spokane District and Peninsula.**

An equal number of districts intend to grow their academic transfer programs. Examples include:

Columbia Basin has prepared a long-range strategic and master plan in concert with their local community to create an educational infrastructure that is robust in science and technology.

Edmonds Community College intends to expand academic transfer offerings, including math, science, business and accounting.

Green River Community College will focus on academic transfer – math, teacher preparation, physics, chemistry and criminal justice.

Others expanding academic offerings include **Everett, Olympic, Bates, Renton, Big Bend, Spokane, Walla Walla and Whatcom.**

About one-fourth of the colleges plan to distribute enrollment growth across their programs in proportion to their current enrollment mix:

Edmonds will address courses that support academic transfer, including math, science business, accounting and English. Basic skills courses and workforce programs such as allied health, construction management, business, paralegal and visual communications will also be expanded.

Bellevue Community College plans to address needs such as health sciences, science, medical information technology and bioinformatics.

Lower Columbia, Skagit Valley, Centralia, South Puget Sound and Tacoma community colleges will also distribute enrollment proportionately across their current programs, as will two technical colleges – **Clover Park and Bellingham.**

All colleges intend to compete for high-demand enrollment slots. Over two-thirds of colleges plan to continue to meet the growing demand for health care workers by applying for enrollments in allied health programs. About one-quarter of colleges will seek funding for high-demand information technology programs.

New Enrollment Funding Level

The Legislature has acknowledged the two-year colleges' inadequate funding base and has addressed this issue in the past two biennial operating budgets. In each of these budgets, the Legislature provided increased funding for growth enrollments at two-year colleges. This request for new enrollments seeks continued, increased state support at a per-FTE rate of \$5,650. This funding level represents the peer-state average developed by the HECB and used by OFM. Rather than ask for enhanced funding levels for targeted FTES, the State Board will commit to a competitive process to allocate 10 percent of the general enrollments to colleges in high-demand fields at a level of up to \$10,000 per FTES. This "super-funded" pool of FTES is predicated on general enrollment funding of \$5,650 per FTES.

Higher funding levels for new enrollments provide the necessary funds to create the competitive high-demand pool; to offer higher cost programs as part of the colleges core offerings; and also to reinvest in much-needed instructional services and student services that have been adversely impacted by recent budget cuts. As colleges have worked hard to maintain access and provide instruction in the recent budget-cutting environment, expenditures for student services as a whole - such as counseling and advising - have decreased from 12.3 percent of total expenditures to 11.9 percent of total expenditures. While this may appear to be a relatively small change, it has shifted nearly \$2.8 million away from student services, at the same time demand for career counseling, advising, financial aid assistance and disability accommodations continues to rise with enrollment growth. In addition, some of the underlying student services costs are increasing rapidly beyond the level of inflation. For example, the cost to serve students with disabilities has grown from \$3.1 million to \$4.4 million over the last three years, an increase of 42 percent.

Two-year colleges are at a critical point in their ability to serve the citizens of Washington and promote overall economic development. Demand has outpaced resources and this mismatch is beginning to affect program offerings, student support services, and the overall ability of colleges to meet the needs of citizens and employers. The community and technical college system has benefited from recent legislative efforts to address its low funding levels, and requests that the Legislature continue its efforts to address this critical issue.

SBCTC Performance Measures

Given the two-year preparation schedule for two-year college students in academic transfer and workforce programs, the performance measures detailed below are extended through FY 2008 in order to see the full effect of performance outcomes on the 10,000 FTES being requested.

Performance Measure	FY 2004 Estimate	FY 2005 Estimate	FY 2006 Projected	FY 2007 Projected	FY 2008 Projected
Number of academic students eligible to transfer to baccalaureate institutions	16,400	16,900	17,300	17,800	18,700
Number of basic skills students who demonstrate substantive skill gain	17,725	17,938	18,150	18,800	19,450
Number of students prepared for work	22,400	22,600	22,800	23,500	24,200

Request

The SBCTC requests 10,000 new enrollments for the 2005-07 biennium – 5,000 new enrollments in each fiscal year of the biennium – funded at \$5,650 each.

	General Fund State (GFS) (001-1)	Operating Fees (149-6)	Total	FTE
FY 2005-06	\$ 28,250,000	\$ 7,570,000	\$ 35,820,000	488.4
FY 2006-07	<u>\$ 56,500,000</u>	<u>\$ 15,140,000</u>	<u>\$ 71,640,000</u>	<u>976.8</u>
Total Request	\$ 84,750,000	\$ 22,710,000	\$ 107,460,000	732.6

State Board for Community and Technical Colleges
2005-07 Enrollment Plan

College District	*FY 2005 Budgeted Enrollment	FY 2006 Growth	FY 2007 Growth	Biennial Growth
Bates	4,370	110	110	220
Bellevue	6,694	250	250	500
Bellingham	1,584	85	85	170
Big Bend	1,554	65	65	130
Cascadia	1,150	190	190	380
Centralia	2,067	80	80	160
Clark	6,207	250	250	500
Clover Park	3,984	110	110	220
Columbia Basin	4,486	165	165	330
Edmonds	4,755	195	195	390
Everett	4,531	195	195	390
Grays Harbor	1,733	35	35	70
Green River	5,283	150	150	300
Highline	5,740	150	150	300
Lake Washington	2,739	145	145	290
Lower Columbia	2,395	85	85	170
Olympic	4,526	100	100	200
Peninsula	1,628	35	35	70
Pierce District	5,205	165	165	330
Renton	3,521	85	85	170
Seattle District	14,182	305	305	610
Shoreline	5,220	100	100	200
Skagit Valley	3,568	150	150	300
South Puget Sound	3,314	140	140	280
Spokane District	12,898	325	325	650
Tacoma	4,204	185	185	370
Walla Walla	2,815	75	75	150
Wenatchee	2,303	100	100	200
Whatcom	2,096	135	135	270
Yakima Valley	<u>3,613</u>	<u>190</u>	<u>190</u>	<u>380</u>
College Total	128,365	4,350	4,350	8,700
Apprenticeship		150	150	300
High Demand		500	500	1,000
Total Enrollment Request		5,000	5,000	10,000

**Excludes worker retraining enrollments funded at private career colleges and reserved worker retraining and apprenticeship enrollments.*

RECRUITMENT & RETENTION

*POG Statewide Result(s) Affected: #3 - Improve the value of postsecondary learning
#11 - Strengthen government's ability to achieve its results
efficiently and effectively*

SBCTC Strategic Goal(s) Addressed: A First-Class Faculty and Staff

The colleges will employ skilled, well-trained faculty and staff. The colleges will provide fair compensation and working conditions for both full- and part-time instructors, whose contributions are critical to the quality and breadth of the colleges' educational programs.



Community and technical college faculty and staff have consistently been paid less than their counterparts in other higher education institutions and than their counterparts who conduct similar private sector work. In recent years, cost-of-living adjustments have been suspended, and faculty increment payments have been limited, thus overall salaries have been suppressed. In fact, in FY2004, two-year college salaries decreased relative to inflation. As a result of these stagnating salaries, colleges are finding it difficult to recruit and retain faculty and staff, especially in high-demand fields such as nursing, allied health, mathematics, and many of the general sciences. For example, attempting to recruit skilled nursing faculty has been extremely challenging, even with salaries 10 to 20 percent higher than the average faculty salary; nursing instructors can make substantially more in the private sector.

This proposal is designed to improve colleges' competitiveness in the employment marketplace by providing recruitment and retention increases to community and technical college employees. The colleges are beginning to replace substantial numbers of faculty and staff who came into the system as it was being formed in the late 1960s and early 1970s. As colleges seek replacements for these retirees, they are finding applicant pools are too small. The primary reason for this, as expressed by prospective employees, is the relatively low salaries paid by the colleges.

Request

This decision package requests state funds to improve the colleges' competitiveness in the employment marketplace and ensure a student-centered, first-class faculty and staff. In keeping with that goal, the two-year college system is requesting \$33.3 million for an average increase of 2.6 percent in both FY2006 and FY2007. This rate, combined with adequate COLAs, would at least bring the colleges equal to their peer states. These funds will not be provided across the board, but will be directed at specific recruitments and at retaining highly qualified individuals in competitive fields.

General Fund State (GFS) (001-1)

FY2005-06	\$ 11,000,000
FY2006-07	\$ 22,300,000
Total Request	\$ 33,300,000

JOB SKILLS PROGRAM

*POG Statewide Result(s) Affected: #2 - Improve the quality and productivity of our workforce
#3 - Improve the value of postsecondary learning*

SBCTC Strategic Goal(s) Addressed: Workforce education and training for the 21st century

Workforce education, training and retraining programs at community and technical colleges will help students learn the full range of basic, pre-college, technical and academic skills they need to get high-wage jobs and adapt to future career requirements in Washington's changing economy.

To compete in the global economy and adapt to relentless technological change, Washington's companies must continually upgrade production processes. At the same time, our state's workforce must continually upgrade skills and knowledge in response to global market pressures. One solution for addressing these issues is incumbent worker training, a tool that bolsters the competitiveness of Washington's employers and its workforce. However, at a recent meeting convened by the Workforce Training and Education Coordinating Board, business, labor and education leaders and elected officials expressed a collective concern for Washington's lagging support for incumbent worker training.

No longer can new recruits walk onto the job with all of the skills and knowledge they will need to keep pace with changing expectations. In 2003, a Workforce Board survey showed 45 percent of Washington employers had difficulty finding qualified applicants. The shortage of qualified applicants resulted in employers hiring less qualified workers and increasing overtime for incumbent employees.

Incumbent worker training – known as the Job Skills Program in Washington state – is a partnership between educational institutions and employers to provide short-term and job-specific training for new hires, workers needing retraining and those preparing for job upgrades. This type of training helps close the gap between career-oriented education and ever-changing performance expectations.

Why Incumbent Worker Training?

Incumbent worker training can be employed in each of the three core strategies of economic development: *recruiting, retention and expansion*. The National Governor's Association found that publicly funded incumbent worker training:

- bolsters the training marketplace and creates efficiencies
- prevents worker dislocation
- reduces "churning" in the labor market
- improves workers' basic and transitional skills
- improves equity of training and creates career opportunities for workers.

State-funded incumbent worker training does not supplant training already provided by employers. Washington's Job Skills Program and most state-supported programs across the country match employer training investments in customized, short-term projects to *increase*

access to training or provide training that is situational in nature—responsive to a given economic event that threatens job security and firm competitiveness.

Washington's Job Skills Program

The Job Skills Program, created by the Washington State Legislature in 1983, is a training tool for enhancing the growth of Washington's economy and increasing employment opportunities. JSP supports three types of projects:

- **Training new employees** for facility openings and expansions,
- **Retraining** current employees to prevent worker dislocation and promote employer competitiveness
- **Upgrade training** of the current workforce for promotional opportunities, creating vacant positions for new hires.

JSP projects are customized to meet employers' specific needs and training is delivered on-site or in the classroom. Up to 50 percent of the employers' training costs are covered by JSP matching grants. Employers' matches can be cash and/or in-kind. The program is administered by the State Board and overseen by a customer advisory committee representing business, labor, and education. Grants are awarded to licensed educational institutions in Washington (public and private postsecondary and apprenticeship trusts). Innovative approaches used in recent JSP projects include coordinated training for industry consortia, knowledge transfers and career ladders. JSP resources are concentrated in expanding industries where there is a shortage of skilled labor to meet employers' needs, economically disadvantaged populations with high unemployment rates, and areas affected by economic dislocation.

In the 2003-05 biennium, JSP is serving more than 2,500 trainees in 22 projects. These include 155 new hires, 739 retrained incumbent workers, 629 upgraded incumbent workers, and 1,018 trainees taking part in combined projects (new, retraining and/or upgrading). Current JSP projects serve a spectrum of Washington employers, including manufacturing (marine/boat building, aerospace, semiconductors, food processing, value-added wood products), health care, construction, wholesale trade and transportation. The average JSP expenditure per trainee is \$921. Employers are matching every \$1.00 of JSP funding with \$2.12.

Washington Lags the Nation

Incumbent worker training is a workforce development tool targeted at improving the knowledge and skills of the employed workforce. All states have incumbent worker training programs, and some have multiple programs. According to two comprehensive surveys, Washington lags the nation in providing state-funded incumbent worker training. In 1998, the National Governor's Association showed Washington 45th in state funding and 47th in funding per capita. A U.S. Department of Labor study in 1999 gave similar results. While JSP funding was increased in 2003-05, the state's investment is still far behind most other states.

Support for Skill Panels

An integrated approach to workforce training and economic development is needed to meet the challenges faced by business and workforce alike. Washington state has a good track record of linking workforce and economic development through industry-specific partnerships. The State Board, the Workforce Board, and the Department of Community, Trade and Economic Development intend to continue to work together to strengthen the linkages between workforce

and economic development in Washington by (1) serving targeted industries that hold competitive advantage, and (2) coordinating workforce and economic development efforts throughout the state to serve industry cluster initiatives.

The Workforce Board is submitting a separate budget request to develop additional skill panels, which are a key part of this collaborative effort. Skill panels bring business representatives and industry associations together in an ongoing process to inventory occupational skill requirements and streamline solutions used to keep pace with ever-changing market conditions. These panels serve as both conduits and feedback loops to the state's education and workforce development community about current and emerging skill expectations. The existing skill panels have made significant accomplishments, but there are too few of them to serve Washington's diverse economic base. A strategic investment in additional skill panels – coupled with an investment in incumbent worker training – would strengthen efforts to integrate workforce training and economic development.

Request

The State Board is requesting an additional investment of \$7.05 million in the 2005-07 biennium to increase the training grants provided by the Job Skills Program and asking that the program be fully funded by General Fund State.

Currently the program is funded at \$2.95 million from the Administrative Contingency Account. This request would bring total funding to \$10 million GFS.

This would allow the program to serve an additional 3,000 to 7,000 workers, in addition to the 2,500 to 3,000 served with existing funds. The State Board also endorses the Workforce Board's request of \$2 million GFS for 18-20 new skill panels.

This budget enhancement will strengthen the linkage between workforce and economic development in Washington by (1) serving targeted industries that hold competitive advantage here relative to other states and regions of the world; and (2) coordinating economic development with local economic development councils and workforce development councils; the Workforce Board; the Department of Community, Trade and Economic Development; Employment Security; and other key agencies and organizations.

	General Fund State (001-1)	Admin. Contingency Acct. (120-1)	Total (Net Change)
FY2005-06	\$ 5,000,000	(\$ 1,475,000)	\$ 3,525,000
FY2006-07	\$ 5,000,000	(\$ 1,475,000)	\$ 3,525,000
Total Request	\$ 10,000,000	(\$ 2,950,000)	\$ 7,050,000

ADULT BASIC EDUCATION ENHANCED FUNDING

*POG Statewide Result(s) Affected: #2 - Improve the quality and productivity of our workforce
#3 - Improve the value of postsecondary learning*

*SBCTC Strategic Goal(s) Addressed: **Increase Basic Skills***

Two-year colleges will provide adult basic education programs including English-as-a-Second Language (ESL) to prepare students to participate successfully in the economy as citizens and parents.

An Introduction to Adult Basic Education

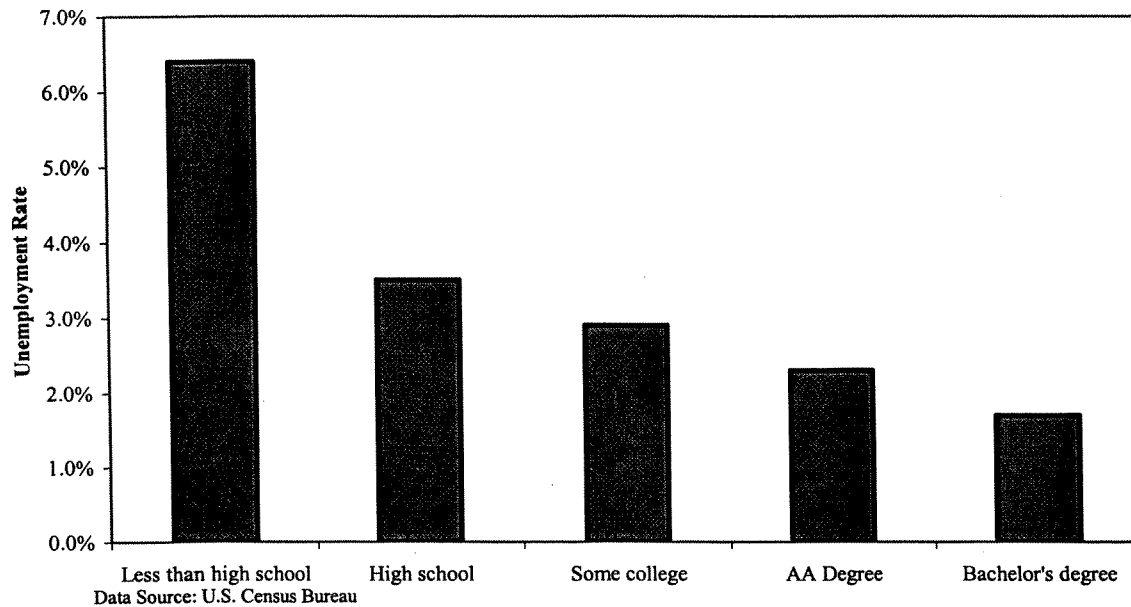
Nearly 800,000 adults in Washington state lack the literacy skills they need to succeed in an increasingly complex world. But literacy is more than just learning skills. Literacy is a new door for the adults who participate, opening opportunities to self-sufficiency, stronger families, and improved citizenship. It also lays the foundation for our state's success in building a strong workforce, a vital economy, and healthy communities.

Adult basic education encompasses three major instructional areas: basic skills for English speaking adults, English as a Second Language (ESL), and preparation to pass the GED (General Educational Development) test. Students engaged in basic skills or ESL may also be on track to complete their GED -- the programs are not mutually exclusive. Adult basic education helps adults improve their English language reading, writing, and speaking skills, their math skills, and problem-solving skills so they can be more successful as workers and community members.

Addressing the adult basic education needs of citizens today can begin to address long-term needs of the state. Children's literacy levels are strongly linked to the educational levels of their parents, especially their mothers. In fact, children of parents who are unemployed and have not completed high school are five times more likely to drop out of school than children of employed parents (National Institute for Literacy). Yet we know that those who obtain a high school diploma or GED experience half the unemployment rate of those who do not complete high school. Therefore, funding basic skills programs is a cost-effective way to help reduce the cycle of poverty that exists for so many Washington families. Critical investments are needed now.

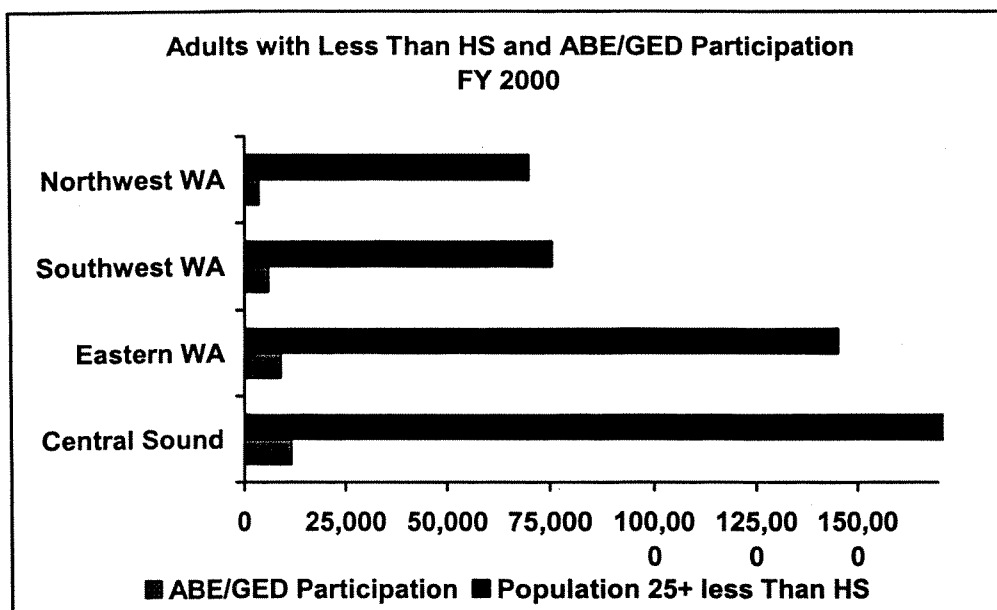


U.S. Unemployment Rate by Educational Level



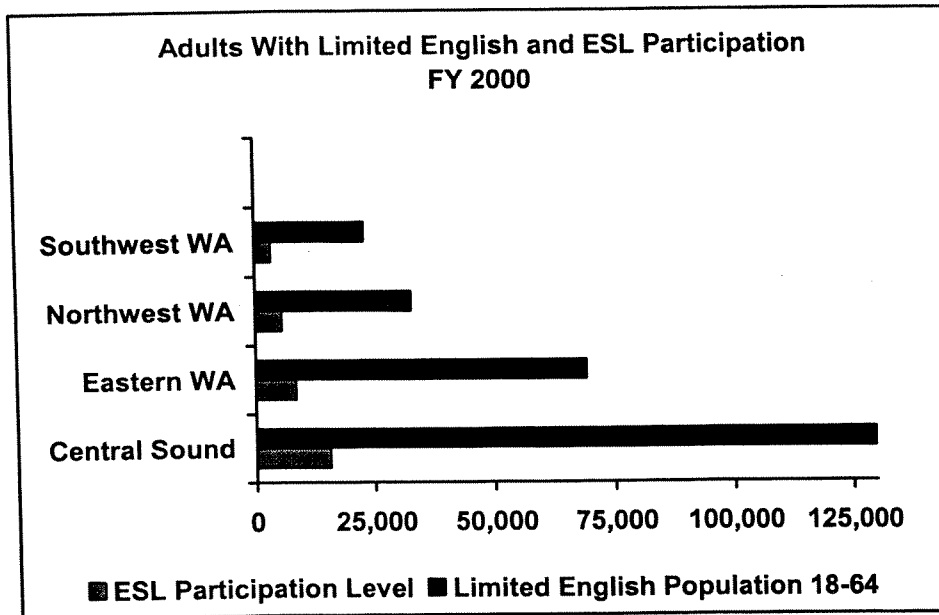
Employer Demand for Higher Literacy Skills

There is not only tremendous student demand for adult basic education programs, but employers also expect greater literacy skills in America's labor force. A survey of more than 300 executives found that while 71 percent reported that employee improvement in basic written communication skills was critical to meeting demands in the workplace, only 26 percent of employers offered this kind of basic skills training (National Institute for Literacy, 1998). As the chart below indicates, the number of Washington citizens 25 years and older without a high school diploma far exceeds the number being served in adult basic education programs in every region of the state.



Source: U.S. Census Bureau 2000 and SBCTC Education Services Division, 2003.

The non-English speaking population has been identified by businesses as a critical source of labor in almost every region and every business sector across the state, especially in filling the shortages faced by the growing health care industry. The Latino-Hispanic population alone will comprise 15 percent of the civilian workforce by 2010, and yet colleges are unable to serve even 10 percent of the total non-English speaking population with current resources.



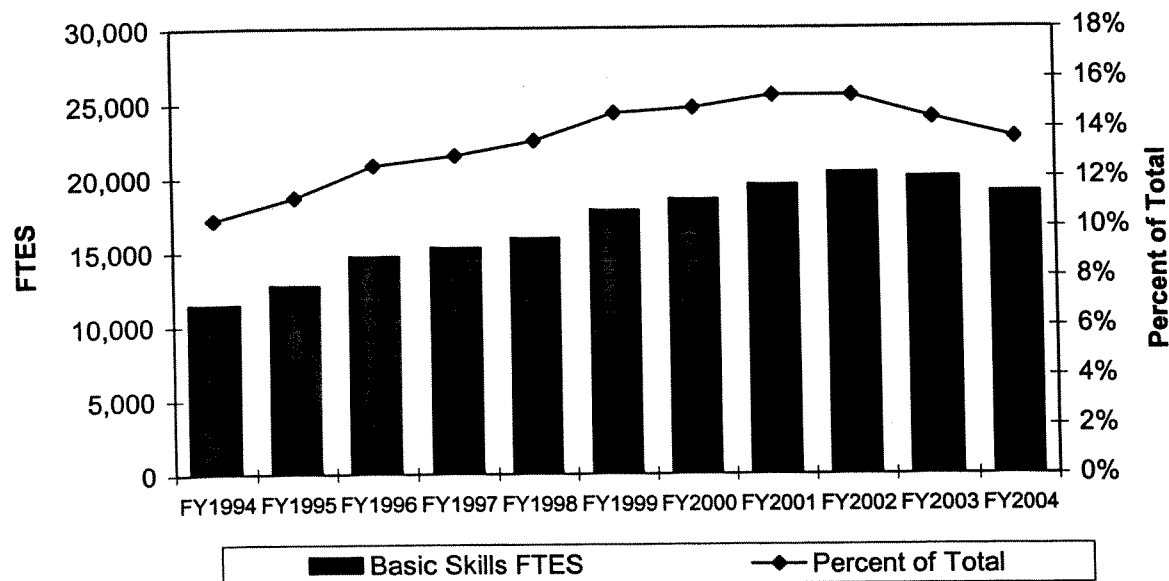
Source: U.S. Census Bureau 2000 and SBCTC Education Services Division, 2003

Recent Budget Cuts Paired with Higher Tuition Squeezes Out Adult Basic Education Students

The two-year colleges are the primary providers of adult basic education in the state of Washington. However, due to recent budget cuts that have been partially offset by large tuition increases, there is a growing disincentive to serve adult basic education students. While the Legislature has cut state general funds for two-year colleges in each of the last four years, it has increased tuition by a compounded rate of more than 36 percent to *partially* backfill the reductions. This means colleges can make up part of the cuts by enrolling tuition-paying students. Nearly all tuition charges for adult basic education students are waived because they are primarily low income and all students have the right to a basic education. Less than 5 percent of all adult basic education students earn a livable wage (defined as \$2,400 per month or enough to support, on their own, a family of three).

The non-English speaking population has risen much faster than the English speaking population, and for years the colleges' share of total FTES dedicated to adult basic education reflected this demand. Though the demand continues to grow, colleges have had to reduce adult basic education courses and subsequently the percent share of adult basic education students served is dropping as a share of the total.

ABE FTES and ABE as a Percent of Total FTES



Source: SBCTC Student Management System

Increasing tuition for adult basic education students will not solve this problem. Basic skills students do not qualify for financial aid under the current state model. Traditional financial aid is focused on academic students taking at least six credits per quarter. Basic skills students are not traditional academic students; they are not engaged in college-level instruction; and many of them attend only one class per quarter while working to support a family. Increasing tuition, without access to financial aid, will only serve to further discourage students from entering basic skills programs. Only substantial tuition waivers offset by a financial commitment from the state will keep these programs intact.

Targeted State Support is Needed to Maintain Current Service Levels

Adult basic education remains a critical mechanism for improving the lives of many Washington citizens, but the constant escalation in tuition paired with a lack of state support for these programs has made already-vulnerable programs even more at risk. State funds are needed to offset the lack of tuition support provided for adult basic education programs. This request would add approximately \$250 per FTES for the more than 19,000 adult basic education FTES currently being served by the system. With this level of support, the two-year colleges will be able to sustain current service levels for the next two years as tuition inevitably increases.

With additional state support, colleges may also have the incentive to offer additional sections of adult basic education integrated with vocational programs. Providing integrated basic skills and vocational instruction has been demonstrated nationally to achieve better results. Pilot projects in the state are under way, and the results are impressive. For example, after the September 11, 2001, terrorist attacks, the Port of Seattle worked with instructors from South Seattle Community College to assist limited English-speaking screeners at Sea-Tac International Airport prepare for federal testing. At the end of the class, local screeners passed at three times the rate of screeners at other airports across the country, allowing the Port to retain many of their already-trained employees.

SBCTC Performance Commitment

To sustain current offerings and total FTES that will be produced in the 2005 academic year.

Request

This decision package requests \$10 million of state funds to maintain current adult basic education FTES service levels for the 2005-2007 biennium.

General Fund State (GFS)	
(001-1)	
FY2005-06	\$ 5,000,000
FY2006-07	\$ 5,000,000
Total Request	\$ 10,000,000

Guidance and Counseling for Student Planning
State Administration, 010; RecSum Code, AK; Performance Level
Office of Superintendent of Public Instruction, 350

Short Description

From the beginning of our education reform effort, Washington policymakers set a goal that students understand how performance and effort contribute to their success. Providing this insight is one purpose of student guidance (along with helping students personalize their education, build relationships, and make learning relevant to their lives), which Washington must expand so that students are motivated to reach the high skills we know they will need for a successful future.

The Office of Superintendent of Public Instruction (OSPI), in association with local school districts and other state and local student and adult organizations, is developing an intensive program to help students, families, educators and other members of school communities meet these challenges. This request is to expand use of an effective guidance and counseling model developed by the Franklin Pierce School District, including continued development and refinement of on-line guidance and planning tools for students and their families. Superintendent Bergeson requests \$1.5 million for the 2005-07 biennium to support dissemination and replication of a guidance and counseling model to involve students in setting goals and charting a course to meet their goals.

Fiscal Summary

Operating Expenditures		FY 2006	FY 2007	Total
Model guidance program grants	001-01	500,000	500,000	1,000,000
Training and technical assistance for grantee districts	001-01	115,000	115,000	230,000
Tool Distribution, Navigation Web-site	001-01	155,000	110,000	265,000
Total Cost		770,000	725,000	1,495,000

Narrative Justification and Impact Statement

History or Problem Statement

Education reform began in Washington as an economic imperative. Implementation focused on defining the skills students need to succeed in post-high school education and employment and in developing means of assessing student achievement.

Missing from our work to date, however, is a systematic method of relating the goals of education reform to individual students and their families. Traditionally, student counselors help students set goals and make personal plans, but their impact has been limited by their scarcity and by their separation from the classroom.

As a result, despite schools' best efforts, education reform efforts have not significantly improved the most important measures of educational success. Too many students still drop out of school; too many of those who spend four years in high school still do not

Guidance and Counseling for Student Planning
State Administration, 010; RecSum Code, AK; Performance Level
Office of Superintendent of Public Instruction, 350

meet the graduation requirements of their districts. The same rate of failure in classes persists and our college remediation rates remain too high.

In the Franklin Pierce School District, both the goal of motivating students for higher performance and the need to expand the guidance function combined in the development of Navigation 101. This class, interspersed with all students' regular schedules, provides students with planning skills, career exploration opportunities, portfolio development, and other crucial aspects of student planning. Students lead annual conferences with their parents and a mentor-teacher, during which they explain past performance and make future plans. The district does not set its annual class schedule until students make their course selections, thus demonstrating to students that their choices matter.

As a result, not only do an astonishing number of parents participate in the conferences, but student performance has changed dramatically. Drop out rates declined; student performance improved. Fewer students fail their courses now, yet more students are choosing challenging mathematics, science and technical courses – including crucial increases in the enrollment of girls in math and science.

Description of Request

During the past school year (2003-2004) nine other districts have voluntarily adopted the Franklin Pierce model, called Navigation 101. To increase the number of districts at a faster pace, and to demonstrate that the connection between student motivation and performance is universal, we propose providing 50 districts \$10,000 for implementation in the 2005-06 school year. If those districts successfully implement Navigation 101, an additional \$10,000 to sustain implementation would be awarded for the 2006-07 school year. Funds would be used to provide extended contracts for teachers and counselors, providing the time to adapt the Navigation model to local conditions. The cost of this module is \$500,000 per year.

To qualify for these funds, districts would be required to demonstrate the prioritization of the project by their district administration. All districts would participate in a mandatory conference providing professional development to key peer groups: administrators, teachers, counselors, as well as parent and student leaders. OSPI would contract with Franklin Pierce for the release of district staff to provide ongoing implementation support and an additional mid-year conference would allow participating districts to learn from each others' progress. The cost of this module is \$115,000 per year.

In addition, to support local implementation, OSPI would disseminate the current Franklin Pierce Navigation curriculum to all districts. Working with the new users, OSPI would facilitate updates and amendments to reflect local variations. The resulting modularized curriculum would be available to all districts. Cost of curriculum development and dissemination is \$50,000 per year.

Guidance and Counseling for Student Planning
State Administration, 010; RecSum Code, AK; Performance Level
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Further, to support student activities and parent involvement, OSPI will implement a resource-based website. This website will help students and parents access a wide range of resources ranging from the National PTA to local community organizations. Information available through the website will help students and parents learn more about developing good study habits, managing busy schedules, exploring career opportunities, and evaluating colleges and training programs. The website will help students connect with Washington businesses, community organizations and other opportunities for mentors, internships and community service activities.

Cost: \$75,000 for FY2006 to complete "Community" section programming and to conduct focus group reviews of the website and \$50,000 for FY2007 for continued programming updates and site reviews.

To demonstrate that guidance activities contribute to improved student performance, OSPI will develop a software package for districts to use to record student performance as Navigation 101 is implemented. The software will be free to the districts and OSPI will provide a summary evaluation at the end of the biennium. Cost: \$20,000 for programming and \$10,000 for analysis and report production for FY2006 and \$10,000 for data support, analysis and report production for FY 2007.

Impact/Outcome

Based on the dramatic results of Franklin Pierce, we conservatively anticipate for the participating 50 school districts:

- A 50 percent increase in parent/guardian participation with student planning
- A 50 percent increase in student enrollment in math and science courses
- A 10 percent increase in on-time grade progression, which will lead to increased on-time graduation rates
- A five percent drop in individual class failure rates

Alignment with Agency Strategic Plan and Governor's Priorities of Government Process

This request supports OSPI's Strategic Objective 1.4, to ensure that all students graduate from high school with the knowledge and skills needed for postsecondary success, and to expand "models of student-centered programs" under secondary reform as outlined in the Governor's Priorities of Government documents.

Reason for Change

Evidence is growing substantially in Washington and around the nation that students perform better academically when they can see their school activities relating directly to their personal goals. Setting goals, planning for careers and further education are traditionally the tasks of school guidance, but the scope and reach of school guidance programs must be expanded significantly. This investment moves guidance to an integral part of the school and the students' lives. It is an investment in a data-driven program for improving student performance.

Guidance and Counseling for Student Planning
State Administration, 010; RecSum Code, AK; Performance Level
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Impact on Clients and Services

Students and parents benefit when they work together toward students' goals. Classroom activities can provide students with planning skills, activities for exploring and recording growth, and for making goals concrete. Web-based resources facilitate student activities outside the classroom.

Impact on Other State Programs or Units of Government

Investing in more school districts offering the Navigation model will increase the numbers of students ready for all postsecondary options.

Relationship to Capital Budget

None.

Required Changes to RCW, WAC, or Contracts

This proposal requests funding for a school guidance system that OSPI would require be tied to the development of school improvement plans required by State Board of Education WAC 180-16-220.

Discussion of Alternatives

One alternative is to rely on voluntary adoption of the districts of Navigation 101, using the tools currently available to support implementation.

The nine districts that initiated Navigation 101 in the 2003-2004 school year, demonstrate that some districts can find resources on their own to support the initiative. Since districts feel many pressures on current budgets, particularly in less wealthy areas of the state, guidance initiatives compete with a long list of educational needs.

Many of these early adopter districts used other grant sources – such as funds awarded to create smaller learning communities, whose goals can accommodate Navigation 101, but whose direct purpose is not guidance. No other grant funds specifically target guidance initiatives, which may help explain why the state average is one guidance counselor to every 500 students. It is not possible to support individualized planning at that ratio.

Impact in Future Biennia

OSPI assumes that the local district allocations would continue because successful implementation of Navigation 101 in these 50 districts would provide compelling evidence for its installation in every district. Thus a future request could repeat the current request at the 50 district level for 50 new school districts, or request funds be made available to all remaining districts.

We also assume, however, that the costs are short-term for most districts, with funding required to support the costs of extra time for area educators to plan local implementation, scheduling changes, make curriculum adjustments, and build community support for the initiative. Franklin Pierce's experience indicates that once implemented, the system can be operated within current school funding. It also

Guidance and Counseling for Student Planning
State Administration, 010; RecSum Code, AK; Performance Level
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indicates that the program becomes so well supported by the students, parents and community that its long-term viability is insured. *Therefore, there is no assumption that any of the 50 districts funded by this request would require additional funding.*

The request also includes costs that would be ongoing, such as the provision of professional development, modification and dissemination of curriculum, and continuing performance evaluation.

Distinction Between One Time and On-going Funding

One time and ongoing costs are outlined above.

Effect of Not Funding

If this request is not funded, school districts will continue to struggle to raise student achievement. They will particularly struggle with students who lack sustained educational planning support at home and where school guidance systems are most inadequate. The effect, then, is worsened among schools most severely struggling to meet the Adequate Yearly Progress requirements of the federally mandated No Child Left Behind Act. Similarly they will continue to labor to help all students meet the requirements of Washington's Education Reform Act. More importantly, schools will be unable to provide guidance and support for those students most in need of direction and support. Also, we will continue to fail to meet our growing need for a highly skilled, highly prepared and highly motivated workforce.

Expenditure Calculations

Fiscal Summary	FY 2006	FY 2007	Total
District allocation	500,000	500,000	1,000,000
PSD staff release	80,000	80,000	160,000
Prof development	35,000	35,000	70,000
Website	75,000	50,000	125,000
Curriculum	50,000	50,000	100,000
Data/evaluation	30,000	10,000	40,000
Total	770,000	725,000	1,495,000

Guidance and Counseling for Student Planning
State Administration, 010; RecSum Code, AK; Performance Level
Office of Superintendent of Public Instruction, 350

Performance Measure Detail

Outcome Measures (For 50 Participating Districts)	FY 2006	FY 2007
1. Increased # of students represented by an adult at their annual conference.	25%	25%
2. Increased number of students enrolling in mathematics, science, and technology classes	15%	35%
3. Increased number of students advancing on time to the next grade (improving on-time graduation)	5%	10%
4. Decreased number of failing grades given per class	5%	5%

Output Measures	FY 2006	FY 2007
1. Number of districts implementing Navigation 101	50	
2. Number of district staff trained as trainers	250	250
3. Number of students and parents connecting to web-based student guidance resources	10,000	25,000

Object Detail

	FY 2006	FY 2007	Total
Employee FTE	0.00	0.00	0.00
Salary and Wages	0	0	0
Employee Benefits	0	0	0
Contracts	\$220,000	\$175,000	\$395,000
Supplies and Materials	\$45,000	\$45,000	\$90,000
Travel	\$5,000	\$5,000	\$10,000
Capital Outlay	0	0	0
Grants	\$500,000	\$500,000	\$1,000,000
Interagency Reimbursement	0	0	0
Total Objects	\$770,000	\$770,000	\$1,495,000

Expanding Skills Centers
Vocational Education, 021; RecSum Code, AL; Performance Level
Office of Superintendent of Public Instruction, 350

Short Description

Vocational Skills Centers (VSCs) offer programs in the summer and regular school year to students pursuing occupational training in an applied setting or to those who need to earn academic credits. This opportunity is available to a relatively small number of students due to limits on summer enrollment funding, limits on the definition of a full-time student, and the high cost of equipment, tools, and computer-assisted programs in vocational education. This request is for \$3.6 million in the 2005-07 biennium to increase the number of students who can be served by VSCs, the number of hours students can be enrolled in programs, and the amount of funding for program equipment.

Fiscal Summary

Operating Expenditures		FY 2006	FY 2007	Total
Summer School Enrollment	001-01	68,000	68,000	136,000
Student FTE Definition	001-01	634,000	800,000	1,434,000
Non-Employee Related Cost	001-01	892,000	1,131,000	2,023,000
Total Cost		1,594,000	1,999,000	3,593,000

Narrative Justification and Impact Statement

History or Problem Statement

Skills Centers offer summer programs to students pursuing occupational training or meeting academic competencies in an applied setting. These summer programs are funded in the state budget at a fixed dollar amount, effectively capping enrollment at a predetermined level regardless of student demand.

Currently 10 VSCs share summer funding for approximately 450 FTE students. Skills Centers have the capacity to serve approximately 6,000 students in their summer programs. While no center expects to reach full capacity during the summer, current funding levels are far below facility capacity. The current funding level is also quickly outstripped by student demand for the programs—forcing Skills Centers to turn away students. In 2004 the Skills Centers served approximately 4,500 students. (The reason for the higher number of students is due to the fact that more courses are offered. More courses can be offered because they are based on 90 hours during the summer not the 540 hours offered during the school year.) However, funding levels set in 1993-94 have changed little in the last 10 years—decreasing 7.5 percent while Skill Center enrollment for the regular school year has increased by 6.9 percent.

Furthermore, limits on how school districts and Skills Centers report student FTEs and the time they are served, provides a disincentive for school districts to send their students to a Skills Center. Current rules only permit any student to be served one full time equivalent. Skills Center programs are largely .6 FTE programs; leaving .4 FTE for

Expanding Skills Centers
Vocational Education, 021; RecSum Code, AL; Performance Level
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the sending school district. If a student takes more than two classes at the sending school in addition to the skills program, the sending school is not reimbursed for classes beyond the first two. If additional funding is provided, districts will have an incentive to continue sending students to the skills center and be reimbursed for the cost of the courses provided.

Finally, the non-employee related cost (NERC) allocation for a Skills Center FTE is far below the allocation for a vocational NERC in regular education. Skills Center NERC rates are \$16,973, while regular vocational education receives \$21,875 per certificated staffing unit. Skills Centers and school districts have equal difficulty maintaining equipment and purchasing new equipment to stay current with industry. By allocating less funding for NERCs/equipment at Skills Centers, students cannot be provided with up-to-date equipment and computer assisted programs.

Description of Request

The Skills Centers are requesting additional funding for summer school enrollment, expansion of the definition of a student FTE to permit sending schools to be reimbursed for the hours of service where the student is served beyond a six-hour day, and finally, a \$1 million enhancement to NERC funding rates.

Expansion of the definition of a student FTE: Skills Centers and sending schools are currently limited to one FTE per student. This proposal would expand funding up to two FTE per student so that each student could potentially attend the sending school for a full day and a skill center program for a full day. Not all students would pursue this option, but where they needed to retrieve credits, or focus on remediation courses, and continue a Skill Center program, they would have such an option. The cost of this request is based on the assumption that the policy change results in a 50 percent increase in Skills Centers FTEs. The maximum cost of all of these proposals, assuming that all students attended school and Skills Centers full time, would be \$5 million.

Impact/Outcome

The impact of these changes is that an increased number of students will be trained over the summer in a skills program—often retrieving students who have dropped out of school or who have not received enough credits to date to graduate on time (and thus are very high risk for dropping out). School districts will be able to provide remediation to bring student achievement up to standard, while maintaining skills program without a financial penalty and disincentive to do so. Finally, Skills Centers will be able to maintain equipment and keep equipment current; increasing the relevance and transferability to student skills to the industry and jobs upon graduation.

Alignment with Agency Strategic Plan and Governor's Priorities of Government Process

The request is aligned with the agency's goal of reducing student dropouts as we implement higher standards and a new graduation requirement. Also, if school districts are funded for the remediation programs they will have to offer in the sending school, they will continue to provide the skills programs as an alternative for students.

Expanding Skills Centers
Vocational Education, 021; RecSum Code, AL; Performance Level
Office of Superintendent of Public Instruction, 350

Reason for Change

Skills Center funding has remained relatively constant, rather than growing with demand and capacity due to funding levels that are essentially caps. This combined with the inadequate NERC funding and the need for schools to offer remediation courses will inhibit Skills Center enrollment, program growth, and program quality in the near future.

Required Changes to RCW, WAC, or Contracts

OSPI WAC and Enrollment Reporting instructions must be revised to adopt a new definition of student FTE.

Discussion of Alternatives

None.

Impact in Future Biennia

Costs for summer school enrollment would only inflate with regular compensation and NERC drivers. The enrollment level is set in the operating budget and will not grow automatically. The change to the definition of a student FTE would inflate costs to the extent that Skills Centers' students were receiving more than six hours of combined school and skill center instruction. Future costs cannot be predicted at this time. Finally, an increase in the Skills Center NERC rate would inflate over time.

Performance Measure Detail

Output Measures	FY 2006	FY 2007
1. Increased Summer School enrollment.	150	150
2. Increased equipment and tool purchasing.	NA	NA

Object Detail

	FY 2006	FY 2007	Total
Employee FTE	0	0	0
Salary and Wages	0	0	0
Employee Benefits	0	0	0
Contracts	0	0	0
Supplies and Materials	0	0	0
Travel	0	0	0
Capital Outlay	0	0	0
Grants	1,594,000	1,999,000	3,593,000
Interagency Reimbursement	0	0	0
Total Objects	1,594,000	1,999,000	3,593,000

Recognition of Prior Non-School Experience
General Apportionment, 021; RecSum Code, BB; Performance Level
Office of Superintendent of Public Instruction, 350

Short Description

Current Office of Superintendent of Public Instruction (OSPI) rules govern what school districts can authorize as experience on the state allocation model, and indirectly, what school staff can be paid. At this time for Education Staff Associates (ESAs), allowable experience is limited to experience in the education field only. However, many ESAs as well as vocational education teachers working in school districts bring with them valuable experience working in a non-school environment, where they performed duties similar to those they provide to students in the school environment. OSPI cannot unilaterally change rules that have a budget impact. Therefore, this request is for expenditure authority that would accommodate a change in salary rules to recognize up to five years of relevant, prior experience for ESAs. In addition, this request is for expenditure authority that would accommodate a change in salary rules that would allow the occupational experience of vocational certificated instructors to be recognized as the highest degree level regardless of any previous related degree earned.

Fiscal Summary

Operating Expenditures		FY 2006	FY 2007	Total
Up to 5 Years Prior Relevant Experience	001-01	8,647,000	10,974,000	19,621,000
Total Cost		8,647,000	10,974,000	19,621,000

Narrative Justification and Impact Statement

History or Problem Statement

Education Staff Associates

ESAs include counselors, occupational therapists, social workers, speech language pathologist/audiologists, psychologists, nurses and physical therapists. In the 2003-04 school year, there were 4,444 ESAs. All ESAs require specialized certification and licensure. Individuals in these occupations can provide specialized services to children in non-school settings, and apply this experience to the school environment.

Unfortunately, state rules do not permit schools to "count" prior relevant non-school experience when reporting the ESAs for salary funding reimbursement. Therefore, if a school district is to remain in compliance with statewide salary lid laws, the district cannot reimburse ESAs for the valuable and relevant experience they have.

The operational definition of relevant non-education professional experience used for this purpose is "Occupational experience in the occupational field represented by the ESA certificate but performed for a non-school employer." Any work experience in which the individual performs the same or similar activities as are performed in a school setting pursuant to an ESA should be considered "relevant."

For the individual employee, the impact over a career of reduced compensation is dramatic. If a school nurse (or any ESA) comes to a school with five years of relevant medical experience and accepts a compensation level of a beginning certificated

Recognition of Prior Non-School Experience
General Apportionment, 021; RecSum Code, BB; Performance Level
Office of Superintendent of Public Instruction, 350

instructional staff, she/he will earn \$2,730 less in the first year of employment. Over 16 years (the point at which there is no longer any differential in salary) he/she will earn \$73,566 less than if the relevant experience was recognized.

It is not surprising that schools are finding it more difficult to recruit ESAs. Data from the 2002 educator supply and demand analysis for Washington State confirms what we hear anecdotally: there are dramatic shortages in many critical school positions. The study compared frequency of actual vacancies to the number of new certificated staff graduating with endorsements. Considerable discrepancies existed in the areas of school psychologists, speech-language pathologists, and nurses. For instance, for school psychologist positions, there were 190 vacancies; and 182 for speech-language pathologists.

The impact to schools and students is not limited to more and longer staff vacancies. Schools must provide the services whether an ESA can be hired or not. Difficulty in recruitment and retention has led to districts to contract for the services of nurses, counselors, occupational and physical therapists, psychologists, and speech language pathologists. Through our special education safety net process, we see that school districts are very often required to contract for services at very high rates, and then have to seek funding assistance, when they cannot hire staff.

Non-Degreed Vocational Certificated Instructors

Under current OSPI rules governing placement on the LEAP salary allocation schedule, there are three types of "non-degreed" certificated instructional employees who hold a valid vocational certificate: (1) those who have acquired their certificates as the result of occupational experience rather than college training, (2) those who have acquired their certificates as the result of occupational experience rather than college training and who also have a degree earned from a regionally accredited institution of higher education prior to the issue of the initial vocational certificate, which is incidental to or not related to the vocational certificate; and (3) those who have acquired their certificates as the result of occupational experience rather than college training and who also have a degree earned from a regionally accredited institution of higher education prior to earning an initial vocational certificate, which is related to the vocational certificate.

Of the non-degreed vocational certificated instructors noted above, the first two instructors would be placed on the LEAP salary schedule according to their occupational experience rather than any college training or lack thereof. In the latter case, the vocational certificated instructor is placed on the salary schedule according to the "related" degree since the degree is the "highest degree level" and is related to the vocational certificate. If such teachers have no prior school experience or any academic or in-service credits earned beyond the bachelor's degree, then these vocational certificated instructors are placed at the lowest salary schedule level of BA + zero years of experience. Therefore, some of the best qualified (as defined by the combination of occupational experience combined with college training) are the lowest paid of our vocational certificated instructors.

Recognition of Prior Non-School Experience
General Apportionment, 021; RecSum Code, BB; Performance Level
Office of Superintendent of Public Instruction, 350

Description of Request

This request is for an increase in budget capacity to accommodate a change in OSPI salary rules permitting relevant, non-school experience to be counted toward placement on the salary allocation system. The relevant experience would be limited to five years.

Impact/Outcome

There are several benefits to this proposal. First, ESAs and vocational educators will be more fairly compensated. The state salary allocation model recognizes up to 16 years of experience for teachers—the foundation of this model is that experienced teachers are better teachers, and should therefore be paid at a higher rate. This foundation should be no different for ESAs and vocational educators. The valuable experience they have gained in hospitals, juvenile detention facilities, public agencies such as health departments and mental health programs, private business, and non-profit organizations will be considered in their compensation levels.

As an outgrowth of the first impact, schools will be able to recruit and retain more experienced ESAs and vocational educators.

Finally, more experienced staff will provide better services to students. Experienced staff and teachers are better able to recognize the unique health, social, or educational needs of students—and are better able to address student needs. Often the services to students will be less costly for the school district that no longer has to contract for services to special education students.

Alignment with Agency Strategic Plan and Governor's Priorities of Government Process

This request is consistent with the Superintendent's goal to attract a good teacher for every classroom, and provide for the health and safety of students while they are in school. Both of these goals require the ability to attract experienced and quality staff.

Reason for Change

School districts increasingly report that they cannot hire nurses, counselors, occupational and physical therapists. In order to meet service requirements, they must contract for services at a higher cost.

Enrollment in vocational courses for high-wage, high-demand occupations such as information technology and health care have grown at rates that have more than doubled in the past five years. Because of shortages in these occupational fields, the salary markets in the industries have grown at a faster pace than salaries in vocational education. Therefore, schools have been having a difficult time finding qualified and experienced instructors in these fields. The problem is compounded by current salary rules that do not allow a degreed AND experienced applicant to be placed at the highest possible level when occupational experience is considered. The current rules only consider the degree when that degree is related to the occupational experience and the vocational certificate.

Recognition of Prior Non-School Experience
General Apportionment, 021; RecSum Code, BB; Performance Level
Office of Superintendent of Public Instruction, 350

In attempting to attract such vocational instructors in high-demand high school courses, some schools have elected to compensate these teachers for their occupational experience without any allocation from the state for the higher salary placement; thus using local funds to cover the additional costs. Furthermore, those schools without the additional local funds to compensate such instructors are not able to offer students these relevant and beneficial vocational training opportunities. Often, students in these schools are the very ones who are most in need of such vocational training.

Impact on Clients and Services

See explanations above.

Impact on Other State Programs or Units of Government

None.

Required Changes to RCW, WAC, or Contracts

Yes, salary placement WACs will need to be modified.

Discussion of Alternatives

The cost of this proposal could be reduced by further limiting the number of years of prior experience that would be recognized. However, this option affects employees' long-term earnings very negatively.

Impact in Future Biennia

The costs associated with this proposal are on-going. In future biennia, there is a small bow wave due to annualizing the 20 percent deferral of FY 2007.

Additionally, as schools hire more experienced staff, the staff mix overall will increase slightly. The budget impact of this trend is difficult to project, since there is no base upon which to build anticipated growth or change in staff mix.

Distinction Between One Time and On-going Funding

No distinction, all costs are on-going.

Effect of Not Funding

School districts will continue to have difficulty recruiting and retaining staff. They will continue, and may need to increase reliance on contracting for services. In terms of the effect on vocational education, schools and districts will continue to experience teacher shortages in those vocational programs that are most relevant to high-demand, high-wage industries and, therefore, limiting the ability and opportunities of students desiring education and training in those occupations with the highest possibilities for post-high school employment.

Expenditure Calculations and Assumptions

Several steps informed the cost of this request. First, OSPI conducted a phone survey of vocational educators to determine the average years of experience that would be

Recognition of Prior Non-School Experience
General Apportionment, 021; RecSum Code, BB; Performance Level
Office of Superintendent of Public Instruction, 350

added if the rules were changed. Second, the value of this experience was applied to 2003-04 S-275 data to cost the impact. Third, a 1998 survey of ESA experience was used to determine the value of the rule change against 2003-04 S-275 data. The dollar value of these changes was then modeled to determine the 2003-04 staff mix change. The resulting staff mix change (.0059) was then applied to 2005-06 and 2006-07.

\$1,000's	<u>FY 2006</u>	<u>FY 2007</u>	<u>Total</u>
General Apportionment	7,683	9,642	17,325
Special Education	853	1,073	1,926
Compensation	111	259	370
Total	8,647	10,974	19,621

Object Detail

	<u>FY 2006</u>	<u>FY 2007</u>	<u>Total</u>
Employee FTE	0	0	0
Salary and Wages	0	0	0
Employee Benefits	0	0	0
Contracts	0	0	0
Supplies and Materials	0	0	0
Travel	0	0	0
Capital Outlay	0	0	0
Grants	8,647,000	10,974,000	19,621,000
Interagency Reimbursement	0	0	0
Total Objects	8,647,000	10,974,000	19,621,000

EMPLOYMENT SECURITY DEPARTMENT
05-07 BIENNIUM DECISION PACKAGE SUMMARY

State Choice—Unemployment Insurance Functions — \$12,734,556 (Reed Act)

The Resource Justification Model (RJM), a justification (supporting a request to Congress) and allocation model used by the U.S. Department of Labor since 2003, penalizes States that operate Unemployment Insurance (UI) programs at higher costs than other States. Low cost States, regardless of the quality of their programs, receive a higher percentage of funding, compared to their costs, than high cost States. Our State has not been able to compete effectively for federal funds under this model due, in large measure, to high cost administrative functions that are required by State statutes but are not required by the federal government. The federal allocation of UI funds is insufficient to cover these costs.

This decision package identifies a number of State-driven UI functions that are proposed to be funded by Reed Act funds instead of the federal UI grant. The inadequate federal funding for the UI program is forcing this State to either utilize the Reed Act funds available from the \$167 million allocation to the UI Trust Fund in March 2002 to cover these costs, or seek relief from State-imposed functions via elimination of the statutory requirements.

Readiness for Active Directory — \$2,086,896 (Reed Act)

This proposal is for a one-time investment to replace and upgrade desktop personal computers (PC's) and laptops that do not meet minimum standards for Active Directory and to purchase the information technology infrastructure components needed to enable the department to participate in the state's Department of Information Services (DIS) managed Enterprise Active Directory.

Without Active Directory-ready PC's/laptops and the infrastructure upgrades, the department will not be able to fully participate in the state's Enterprise Active Directory. Active Directory is required to meet the department's objective to utilize the single sign-on and self-service capabilities of the new Human Resource Management System (HRMS). In addition, without Active Directory the department will not be able to share technology resources with the other 28 participating Washington State agencies, which include Washington State Patrol, Office of Financial Management, along with the departments of Social and Health Services, Labor and Industries, General Administration, Personnel, Corrections, Veteran's Affairs, and Information Services.

Telephone Systems Replacement — \$680,547 (Reed Act)

To maintain mission critical contact with the public this request is to replace phone systems installed at 15 of the smaller Employment Security Department (ESD) offices throughout the state.

The current systems were purchased in 1995 and have reached their end of life. The Automated Call Distribution system resides on a DOS based personal computer platform that is no longer supported. Life expectancy for PCs is 4 to 5 years. ESD will not be able find replacement parts for these devices. The voicemail system is at end of life as well. These devices have been in the network for almost 10 years. If a system fails, parts may not be available to make repairs.

Unemployment Insurance Tax Program — \$1,076,106 (Admin. Contingency Account)

Within existing capacity, the Unemployment Insurance (UI) Tax program cannot: (1) detect when employers avoid their tax liability by not registering and paying UI taxes to cover the benefits for deserving workers; (2) provide the degree of training for tax specialists needed to perform their jobs; and (3) continue to provide unfunded services for businesses (without employees that would be covered by the UI program) as part of the Master Business License Program.

The department proposes to target the new revenue that will be received by the Department from an increased penalty for an employer's late report (2ESB 6097) for the purpose of addressing each of the three problem areas. Non-reporting businesses will be discovered and taxes and penalties collected. The Tax training program will be enhanced to increase the knowledge, skills, and abilities of tax representatives. Master Applications from businesses, regardless of their link with the department, will continue to be accepted.

UI Storage Server Consolidation — \$99,465 (Reed Act)

Funds are required to replace and consolidate inefficient/end of life resource and storage server devices supporting staff at the Unemployment Insurance (UI) Division's Maple Park facility. This initiative will provide complete system redundancy, automated online staff retrieval of resource data and data availability to all UI business units. Improved system efficiencies will eliminate repetitive and costly data center electrical and cooling upgrades and site expansion requirements. Collateral benefits will be accrued through reduction of wasted staff FTE hours spent recreating or duplicating lost or accidentally deleted data, the creation of auditable logging of all VI network data and reduction of associated technical support costs.

State of Washington
Decision Package

Agency: 343 Higher Education Coordinating Board

Decision Package Code/Title: HD - High-demand Enrollment Grants

Budget Period: 2005-07

Budget Level: PL – Performance Level

Program: 010 - Coordination and Policy

Agency Recommendation Summary Text:

Funding for competitive grants to the public baccalaureate institutions and community and technical colleges complements general enrollment funding that is appropriated directly to the institutions. The funds requested will support high-demand enrollments at an average of \$11,000 per FTE and worker retraining at an average of \$5,000 per FTE. Enrollments funded through this program will respond to the economic development needs of the state and its regions by increasing the number of highly skilled students who earn degrees in key occupational fields such as biotechnology and health care.

Fiscal Detail:

	FY 2006	FY 2007	Total
Operating Expenditures			
001-1 General Fund – Basic Account – State	\$10,035,000	\$20,035,000	\$30,070,000
Total Cost	\$10,035,000	\$20,035,000	\$30,070,000
Staffing			
None	1.0	1.0	1.0
Total FTEs	1.0	1.0	1.0
Revenue Detail			
Fund Source			
None	\$0	\$0	\$0
Total Revenues	\$0	\$0	\$0

Description:

The ongoing evolution of Washington's economy from one based on manufacturing to one that rewards knowledge, skills and education has been well documented. However, state higher education funding to help Washington residents benefit from growth in knowledge-intensive, high-income sectors has been stagnant at best. Inflation-adjusted per-student funding for the state's colleges and universities has steadily eroded since the early 1990s.

In this environment, it is critical that the state align its limited resources for public higher education with the needs of the economy. Traditional liberal arts education must remain a core component of the state's higher education system because the skills it imparts are central to business and career success. However, the state also must respond to student and employer demands in fields where current or projected job creation outpaces the capacity of the higher education system to produce

trained graduates. This means targeting new funds and program development efforts to health care, biotechnology, and other fields that address statewide and regional opportunities and priorities.

High-demand programs have two primary elements: (1) instructional programs or fields in which student enrollment applications exceed available slots, and (2) career fields in which employers are unable to find enough skilled graduates to fill available jobs. This definition recognizes both excess student demand for a program and high societal need for graduates in given fields. Satisfying both elements is critical. Fulfilling student demand without subsequent placement with employers will quickly lead to flooding the job market with unemployed graduates. Expanding programs because of employer demand without a queue of students will lead to unused capacity. Plus, a shortage of workers is not necessarily the result of limited instructional capacity but could be symptomatic of the working conditions and/or wages in the occupation – problems that need to be addressed by other means.

If funded, the board will develop and publish a Request for Proposals describing the requirements of the competitive grant process. Assuming the state operating budget is enacted by the end of April 2005, we would issue a request for proposals and conduct a bidder's conference in May 2005, with proposals due in late June. A review committee representing the HECB, the SBCTC, OFM, the WTECB and private-sector business experts will analyze and assess the proposals and make a funding recommendation for adoption by the board at the earliest opportunity.

Narrative Justification and Impact Statement:

- **How this decision package contributes to the agency's strategic plan and its activities:**
In its *Strategic Master Plan for Higher Education*, the board has set goals to increase the number of degrees earned and the number of students who are prepared for work. It is reasonable to expect that a portion of this increase would be devoted to high-demand fields. Each year through 2010, the board proposes to increase the number of students who earn degrees and are prepared for work in high-demand fields by 300 per year for a cumulative total of 1,500. Such a target would require adding about 1,000 FTE students to the higher education system each year.

The Priorities of Government (POG) results team for increasing the value of postsecondary learning has identified the number of degrees earned in high-demand fields as a key indicator of whether the state is preparing a skilled workforce. In addition, the POG team has asked for detailed data from the 2003-2005 high-demand proposals and awards, which is being submitted with this budget request, under separate cover. There is also no question that the high-demand grant program contributes to the state's goal to improve the economic vitality of businesses and individuals.

To help meet the state's economic needs and respond to employer and student demand, the board will develop an ongoing method of identifying high-demand fields and programs based on student and employer needs and master plan goals. The board believes the state would provide greater service to students and employers and greater predictability to the colleges and universities if it facilitated an ongoing dialogue about the changing environment for high-demand programs and fields, rather than responding in a sporadic fashion based on the availability of funding.

- **Performance Measure Detail:**

Performance Measure Description	Incremental Changes	
	FY 2006	FY 2007
See narrative below.	--	--

- **Reason for change:**

In some sense, this request does not represent a change, but rather a repeat of the successful 2003-2005 program in the 2005-2007 biennium. The carry-forward funds from the program are in the process of being transferred to the institutions' base budgets, leaving no base funds for continuing the competitive grant program.

As suggested by the POG results team, there are two measures we would like to use to monitor the effectiveness of the high-demand grant programs. First, we would measure the number of degrees in high-demand fields, whether funded by high-demand grants or not.

House Bill 3103, enacted in 2004, directs the board to develop a comprehensive and ongoing assessment process to analyze the need for additional degrees and programs. The needs assessment will examine projections of student, employer, and community demand for education and degrees – including liberal arts degrees – on a regional and statewide basis. The process will help identify, on a regional and statewide basis, program areas with high student demand for certain programs, as well as significant employer demand for graduates. It also will be used to estimate the total high-demand program need.

This process will provide a necessary first step in the process of measuring the number of graduates in high-demand fields, by identifying which current and newly proposed programs meet the definition of "high-demand." Once defined, data regarding the numbers of graduates for these programs can be obtained from the institutions.

Secondly, the POG results team has suggested the board participate in developing a survey of employer satisfaction with graduates' knowledge, skills and abilities. We agree this kind of measure could help inform the distribution of high-demand enrollments by focusing them on areas where students are best prepared for the workplace.

Impact on clients and services:

The proposed grants for 2005-2007 would expand opportunities for students to enroll in programs that have the greatest career potential for successful graduates and would increase the pool of well-trained students whose skills are sought by employers in key economic sectors.

Impact on other state programs or other units of government:

Identifying high-demand fields will require cooperation and information from a number of entities, including public and private four-year colleges and universities, the community and technical college system, private career schools, the Workforce Training and Education Coordinating Board, the Department of Employment Security, local economic development agencies, various committees and commissions that are reviewing particular industries or occupations, and industry and trade associations.

This will not be a groundbreaking effort, because all of these groups are represented in current state efforts to develop economic, job and educational forecasts. But this process will require a greater level of coordination and collaboration than has existed in the past. Ideally, the board would include a list of high-demand programs within its budget recommendations for higher education, for consideration by the governor's office and legislators crafting the state's budget.

Relationship to the state's capital budget:

None

Revisions required in an existing statute, Washington Administrative Code (WAC) contract, or state plan:

None

Alternatives explored by agency:

OFM's suggested non-budgetary alternatives of making changes in legislation or redistributing agency resources are not appropriate to this proposal. It is funding rather than legislation that prevents institutions from developing or enhancing high-demand programs. And the board does not have any resources that could be redistributed to fund a program of this size.

The board considered whether institutions could be encouraged or required to reallocate funds from other academic programs to high-demand programs. High-demand programs are often quite expensive – the cost per student of providing the program can be greater than average. Reallocation of funds within an institution's current budget is an important, but limited, source of high-demand funds. Colleges and universities regularly shift funding among their various programs. But because high-demand programs are often quite expensive, it is an over-simplification to assume that colleges and universities can shift enrollment allocations on a one-for-one basis from low-cost, low-demand programs to much more expensive high-demand programs.

The board considers this grant program a complement and supplement to funding provided in institution budgets for additional student FTEs. All new FTEs received directly by public institutions are important and represent demonstrated demand since all of the public institutions are currently over-enrolled. The board believes that supplementing the new FTEs provided directly in institution budgets through the proposed grant program appropriated to and managed by the board yields the significant benefit of a competitive process, which stimulates innovation and ensures that only those proposals that receive the strong support of private sector business experts will be financed within the limited pool of available funds.

Budget impacts in future biennia:

Enrollments and funding awarded to institutions will become a part of public institution base budgets in future biennia. These funds represent the institution's cost to pay faculty salaries and benefits, direct program costs, and indirect institution costs associated with these student enrollment FTEs. This is the same treatment that was afforded to proposals funded in past biennia. Administrative funds and FTEs for the board are very small and would only impact future biennia should the governor and the legislature choose to provide new high-demand funds each biennium.

Distinction between one-time and ongoing functions and costs:

As part of the proposal process, the four-year institutions are required to identify which costs are one-time and which are recurring. Part of the board's administrative process is evaluating and

negotiating the costs in the proposals and monitoring how the funds are ultimately spent. The board provides the detailed breakout of one-time and recurring costs to OFM and legislative budget staff when calculating the amount of carry-forward funding to be transferred to each institution's base budget. As a result, only the recurring costs are carried forward into future biennia. At the time of this writing, we are unable to predict how much of the 2005-2007 request would be for one-time versus recurring funding.

The POG results team has requested further data on the high-demand proposals and awards, which is being provided with this budget document, under separate cover.

Effects of non-funding:

Currently, public institutions reallocate base budget FTE enrollment funding and channel new funding for added enrollments into high-demand programs as quickly as possible. However, there are two obstacles to overcome. First, state funding has generally not been provided to cover the startup costs of developing curriculum, purchasing necessary equipment and software, and recruiting the highly sought-after faculty and staff that are necessary to provide instruction. By definition, these faculty and staff are highly trained in fields that are in high-demand, so institutions must compete for their services with the private sector – which has much more flexibility and resources in the recruitment and salary areas.

Second, the ongoing instructional costs of high-demand programs are often much higher than the average cost per student FTE, or the amount of funding provided by the state for new FTEs. This cost differential makes it difficult to reallocate funds by reducing enrollment in an ongoing program that may have less demand (but is funded at a lower rate) and transfer those resources to other high-demand programs. Nursing education is a good example. The cost of adding new nursing FTEs (RN-BSN) at WSU was shown in its high-demand proposal at over \$21,000 per student. However, the average cost of undergraduate WSU students on all campuses is shown in the board's *2001-02 Education Cost Study* at less than \$8,800. Even faced with this difference in cost, WSU makes every effort to reallocate current FTEs and channel new funding into expanded nursing education because of the pressing need for more graduates. With the assistance of funds from the 2003-2005 high-demand grant process, WSU is expanding this much-needed program.

This grant program will enable institutions to respond much more quickly to economic needs and pursue opportunities for its students, whereas the failure to support this proposal would restrict Washington students' access to programs in fast-growing fields and would force employers to increasingly look outside Washington to recruit their new, highly paid employees.

Expenditure and revenue calculations and assumptions:

Revenues

None

Expenditures

The funding for instructional purposes is expected to average \$5,000 per worker retraining FTE and \$11,000 per other high-demand FTE student. For example, applying the board's goal of 1,000 new FTE per year to the \$10 million requested for FY 2006 would fund at least 170 worker retraining FTE and 830 other high-demand FTE. By managing these funds in a single process, the proposal review committee can further manage these funds by determining whether to increase the number of either type of FTE or adjust the per average FTE costs, depending on the composition and merit of proposals received. The 2003-2005 grant process identified some worthy proposals that simply could not be funded within the number of FTE and average FTE targets set in the budget. While this could happen again in 2005-2007, the combination of the funds into one pool may give reviewers enough flexibility to fund programs that might not have fit within the previous structure.

The proposed budget level includes funds for one staff member, plus benefits, for each year of the biennium, and for nominal supplies and travel costs. The remainder of the funding will be available on a competitive basis for grants to institutions in FY 2006 and FY2007.

Object Detail:

	FY 2006	FY 2007	Total
Operating Expenditures			
A – Salaries	\$28,000	\$28,000	\$56,000
B - Benefits	\$6,000	\$6,000	\$12,000
C - Personal Service Contracts	--	--	--
E - Goods and Services	\$500	\$500	\$1,000
G - Travel	\$500	\$500	\$1,000
J - Equipment (over \$5,000 per item)	--	--	--
M - Transfers to trust funds	--	--	--
N - Grants to students or others	\$10,000,000	\$20,000,000	\$30,000,000
Total Objects	\$10,035,000	\$20,035,000	\$30,070,000

State of Washington
Decision Package

Agency: 343 Higher Education Coordinating Board

Decision Package Code/Title: WA - Financial Aid for Working Adults

Budget Period: 2005-07

Budget Level: PL – Performance Level

Program: 030 Financial Aid and Grants

Agency Recommendation Summary Text

Financial aid for full-time workers to pursue part-time education will enable more workers to gain valuable skills, thereby improving the quality of Washington's workforce. In 2000, 953,000 Washington residents over 25 years of age had a high school diploma, but no additional postsecondary education. Many of these workers do not have enough income to pay for part-time courses. Because they are working full-time, they do not usually have time to take the minimum six credits currently required to qualify for financial aid. A pilot program would allow the state to serve this population, assess demand, and evaluate its impact.

Fiscal Detail:

		FY 2006	FY 2007	Total
Operating Expenditures				
001-1 General Fund – Basic Account – State		\$1,000,000	\$1,000,000	\$2,000,000
Total Cost		\$1,000,000	\$1,000,000	\$2,000,000
Staffing				
None		0.0	0.0	0.0
Total FTEs		0.0	0.0	0.0
Revenue Detail				
		<u>Fund Source</u>		
None		\$0	\$0	\$0
Total Revenues		\$0	\$0	\$0

Description:

Washington's higher education system must ensure that the state has the skilled workforce required to sustain and grow its economy. This means helping more students complete degrees. But it also means giving workers at all levels the opportunity to gain new knowledge and abilities. Full-time, low-wage workers have the fewest opportunities and – arguably – the greatest need for additional education to help them progress in their jobs and improve their livelihoods.

- Generally, full-time adult workers are limited in the hours outside of work that they can devote to additional education. Students in this situation often can take only one class at a time at a local college or university. Work and personal commitments keep them from enrolling in a course of study that is half time or greater.
- Students who attend college less than half time (five credits or less) do not qualify for the standard array of federal, state and institutional financial aid programs.
- Low-wage workers lack the discretionary income they would need to cover the costs (tuition and books) for part-time courses that could improve their skills and their contributions to the state's economy.

This proposal would fund a pilot project to ascertain the effectiveness of the state providing financial assistance for low-income, full-time workers.

The Washington financial aid community, state higher education agencies, and representatives from employers and labor would collaboratively design a pilot grant program for select institutions or regions with the following general criteria:

- Eligibility. The program would be for low-income workers with dependents employed at least 35 hours per week. Recipients would have to demonstrate financial need according to the federal methodology.
- Enrollment. Recipients would qualify if attending a college for five credits or less. (Students enrolled for six or more credits are already eligible for federal, state, and institutional aid.)
- Grant amount. Total grant assistance would equal the cost of tuition and required fees at a public institution, plus an allowance for books and supplies. (Recipients could use the grant at non-public institutions, but the grant amount would be linked to public tuition and fees.)

Narrative Justification and Impact Statement:

▪ How this decision package contributes to the agency's strategic plan and its activities:

- A core value of the Higher Education Coordinating Board, as documented in its Strategic Master Plan for Higher Education in Washington State, is that “all students, regardless of their income, race, ethnicity, gender or personal background, deserve the opportunity to enroll and succeed in college.” A goal of the agency is to develop and implement this plan which also calls for the state's higher education system to respond to the state's economic needs. This proposal is one of the strategies to carry out that response.

- This proposal supports multiple purchase strategies recommended by the Priorities of Government.

Result #3 – “Improve the value of post-secondary learning”. This proposal would increase the number of adults completing certificates or degrees and would increase the number of students prepared to meet workforce demands.

Result #2 – “Improve the quality and productivity of the workforce” – this proposal would provide educational opportunities for low-income workers to improve their skills and progress up the career ladder.

Result #5 – “Improve the security of Washington's vulnerable children and adults” – this proposal would increase the economic self-sufficiency of low-income workers.

Result #6 – “Improve the economic vitality of businesses and individuals” – this proposal would help individuals prosper.

▪ **Performance Measure Detail:**

Performance Measure Description	Incremental Changes	
	FY 2006	FY 2007
N/A		

▪ **Reason for change:**

The part of the population that would be served by this program contributes to the state's economy through work and pays a disproportionate amount of its income in taxes. If the state is to offer a full array of financial assistance for citizens to attend higher education, this population deserves help as well.

Impact on clients and services:

Currently many of these potential students have been unable to participate in higher education, and therefore are not currently receiving financial aid through any of the HECB's programs. This proposal will allow these potential students the opportunity to pursue higher education. Running a pilot program will increase the administrative burden on the HECB. However, the agency can absorb the administrative costs of a pilot program. If the program is eventually expanded beyond the scope of a pilot, the HECB would need to assess the impact on administrative costs at that time.

Impact on other state programs or other units of government

This pilot project would be developed with the cooperation of the institutions of higher education and the Workforce Training and Education Coordinating Board. One of the fundamental guidelines for the program design is ease and efficiency of administration. The advisory committee is committed to meeting the students' needs without placing undue administrative burden on either the students or the institutions.

Relationship to the state's capital budget:

None

Revisions required in an existing statute, Washington Administrative Code (WAC) contract, or state plan:

The Higher Education Coordinating Board has statutory authority to administer pilot projects. The pilot would not necessarily require legislation, but it may be beneficial. Legislative action would be required to create an on-going program.

Alternatives explored by agency:

The agency met with an advisory committee made up of broad representation from the higher education community. One of the options explored by the advisory committee was the possibility of simply expanding the student eligibility requirements of the existing State Need

Grant program to accommodate students who attend less than half time. The committee concluded that expansion of the State Need Grant program at this time was not the best alternative. The State Need Grant program is currently underfunded, with about 7,500 eligible students going unserved because of monetary constraints. There was little interest in further diluting funds by awarding students attending less than half time. This is especially true since it is extremely difficult to estimate demand for the program.

However, should the pilot project be funded, one of its goals will be to assess and reasonably estimate future demand. The advisory group remains open to possibly utilizing the State Need Grant infrastructure to administer an ongoing aid program for working students attending less than half time.

Budget impacts in future biennia:

This request is solely to fund a two-year pilot project. Presumably if the pilot were successful there would be a larger request for a statewide program in future biennia.

Distinction between one-time and ongoing functions and costs:

All the funds requested here are for the pilot project only. The pilot project is expected to operate only in the 2005-2007 Biennium.

Effects of non-funding:

The population of low-income full-time workers would continue to face extreme hardship in obtaining further education to help them progress up their career ladders.

Expenditure and revenue calculations and assumptions:

Revenues

None

Expenditures

Object Detail:	FY 2006	FY 2007	Total
Operating Expenditures			
A - Salaries	--	--	--
B - Benefits	--	--	--
C - Personal Service Contracts	--	--	--
E - Goods and Services	--	--	--
G - Travel	--	--	--
J - Equipment (over \$5,000 per item)	--	--	--
M - Transfers to trust funds	--	--	--
N - Grants to students or others	\$1,000,000	\$1,000,000	\$2,000,000
Total Objects	\$1,000,000	\$1,000,000	\$2,000,000

State of Washington
Decision Package

Agency: 343 Higher Education Coordinating Board

Decision Package Code/Title: WH - SWS Placements in High Demand Fields

Budget Period: 2005-07

Budget Level: PL – Performance Level

Program: 030 Financial Aid and Grants

Agency Recommendation Summary Text:

Employers frequently report that practical experience is a critical element to success in high demand fields. Funds requested would be available to needy State Work Study (SWS) students statewide, enrolled in, or seeking enrollment in high-demand fields. In this way, colleges can help students find part-time work placements that respond to local and statewide high-demand priorities. In the process, students can affirm their interests in these fields earlier in their college careers – which has been found to increase student persistence. The funds would be used to reimburse employers for a portion of the wages paid to student employees.

Fiscal Detail:

		FY 2006	FY 2007	Total
Operating Expenditures				
001-1 General Fund – Basic Account – State		\$200,000	\$400,000	\$600,000
Total Cost		\$200,000	\$400,000	\$600,000
Staffing				
None		0.0	0.0	0.0
Total FTEs		0.0	0.0	0.0
Revenue Detail				
		<u>Fund</u>	<u>Source</u>	
None		\$0	\$0	\$0
Total Revenues		\$0	\$0	\$0

Description:

Extensive work is being done to document and classify the need for enrollments to be created in high demand fields — to answer both student interest and employer need. In recent years, the Board has administered the allocation of high demand enrollments among public four-year institutions. Along with this specific activity, in its current master plan the Board proposes developing an ongoing method of identifying the need for and facilitating dialogue about changing high demand programs and fields. A broader view of high demand degrees identified the potential to leverage efforts by directing some funding through the state's part-time student employment program, the State Work Study (SWS) program.

The SWS program provides financially needy students from low and middle income families with the opportunity to work in fields related to their academic and vocational interests. It pairs students with businesses willing to employ and pay the students while receiving a partial reimbursement for the instruction, training and supervision they provide.

The requested funds would be administered in a competitive manner among participating colleges and universities proposing student employment efforts to connect students enrolled or interested in enrolling in high demand fields with relevant student employment opportunities. The request should assist approximately 90 students in FY 2006, and 180 in FY 2007.

Narrative Justification and Impact Statement:

- **How this decision package contributes to the agency's strategic plan and its activities:**

- This proposal meets the Board's overall goal of continuing to improve the high level of service to customers of its programs by efficiently linking its efforts to promote high demand enrollments to student employment placements in high demand fields. And in doing so, the state demonstrates responsiveness to the expressed interests of these key employers and provides a proven means through SWS positions for students to confirm their academic and career choices.
- The proposal also links to the Education Services division's objectives of creating training opportunities by alleviating financial barriers, and of encouraging students to enter specified careers that can address workforce shortages by creating an emphasis on these high demand student employment experiences.
- This proposal also supports many of the priorities of government such as:

Result #3 – "Improve the Value of Post-secondary Learning". This proposal links to this result by providing work experiences in high demand fields that can expedite the career choices of financially needy students.

Result #2 – "Improve the Quality and Productivity of the Workforce". This request links to this result by delivering graduates with workplace skills, realistic expectations, and readiness to contribute to the state's economy.

Result #6 – "Improve the Economic Vitality of Businesses and Individuals". This request will trigger this result by delivering to high demand sectors of the economy permanent employees who are more likely to be satisfied in their choice of employment and to be committed to the aims of the businesses.

Additionally the SWS program continues to be a vital means for certain DSHS WorkFirst students to satisfy the requirement to work while they study to acquire new employment skills and attain self-sufficiency for their families.

▪ **Performance Measure Detail:**

Performance Measure Description	Incremental Changes	
	FY 2006	FY 2007
Student Placements	90	180

▪ **Reason for change:**

If this proposal is implemented the state's capacity to efficiently supply businesses with student and permanent employees for high demand sectors can be expected to increase. The provision of an opportunity to work in one of these positions is expected to confirm interest and begin building industry specific employment skills before college graduation.

It can pay off with employers receiving immediate help in providing these critical services and at the same time identifying prospects for permanent employment, thereby reducing the costs and time associated with large scale recruitment and what can be a time consuming training and integration process with new employees.

The personal and public benefits that accrue when a student graduates and goes immediately to work in their field, rather than spending several years "trying out" careers are also significant. Though it is a small amount of funding, it is expected to have the added, if more indirect, effect of raising awareness about high demand issues with another layer of college and university administrators – those that daily assist students with locating all types of student employment.

Impact on clients and services:

This closely targeted effort will be managed within the existing framework and staffing of the SWS program that is expected to gain efficiencies in both its business process and information systems with the current "Roadmap" project.

Impact on other state programs or other units of government:

At this time this is a relatively small effort that will by its competitive nature happen with institutions and employers that self-identify their ability and interest in making this link within their student employment efforts.

Relationship to the state's capital budget: None

Revisions required in an existing statute, Washington Administrative Code (WAC) contract, or state plan: None

Alternatives explored by agency:

Current SWS dollars are fully committed to existing students through the colleges and universities they attend. If a targeted effort like this was carved out of current funding commitments, student service levels could be disrupted.

The Federal Work Study (FWS) program is another source of funding for student employment. In recent years as the Federal Government has made significant investments in grant and student loan programs, it has neglected its investments in the FWS program. And, by increments, this program has also become more encumbered with mandates aimed at creating reading and math tutors and

other community service placements rather than any efforts to leverage or align the program and its student's employment experiences to economic development needs or high demand sectors of employment.

Budget impacts in future biennia:

While the underlying high demand areas can be expected to change and evolve, the need for increased correspondence between academic study and career exploration, especially in these areas, will be ongoing.

Distinction between one-time and ongoing functions and costs: None

Effects of non-funding:

If this effort is not funded, the state could miss the opportunity to strategically use its SWS program to benefit both students and employers in high demand sectors. The students that would have received targeted help matching their interests to high demand positions would not be assisted. The HECB and the state will not have the opportunity to measure the impact of this partnering of academic planning for enrollments and the delivery of targeted aid intended to improve educational and workplace outcomes.

Expenditure and revenue calculations and assumptions:

Revenues

None

Expenditures

This item of the Board's financial aid budget request is based on a per student 2005-06 state share earnings estimate of \$2,165 and a 2006-07 amount of \$2,210. These are predicated on a 1% per year increase in tuition. If tuition increases more than 1% per year, the award amount per student is expected to increase to protect the size of the effort. The HECB will absorb the cost of administering this initiative through the use of existing SWS administration funds.

Object Detail:

	FY 2006	FY 2007	Total
Operating Expenditures			
A - Salaries	--	--	--
B - Benefits	--	--	--
C - Personal Service Contracts	--	--	--
E - Goods and Services	--	--	--
G - Travel	--	--	--
J - Equipment (over \$5,000 per item)	--	--	--
M - Transfers to trust funds	--	--	--
N - Grants to students or others	\$200,000	\$400,000	\$600,000
Total Objects	\$200,000	\$400,000	\$600,000

State of Washington
Decision Package

FINAL

Agency: 300 Dept of Social and Health Services
Decision Package Code/Title: JC Youth with Disabilities Employment

Budget Period: 2005-07
Budget Level: PL - Performance Level

Program: 100 Vocational Rehabilitation

Recommendation Summary Text:

The Division of Vocational Rehabilitation (DVR) is requesting \$3 million in state only funding each fiscal year to serve individuals who normally could not be served from the federally determined waiting list.

Fiscal Detail

Operating Expenditures	<u>FY 2006</u>	<u>FY 2007</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	3,000,000	3,000,000	6,000,000
Total Cost	3,000,000	3,000,000	6,000,000

Package Description:

High School Transition Services

DVR partners with school districts across the state to help youth with disabilities plan their transition from school to adult life, including work. DVR has a liaison counselor assigned to every high school in the state. A Vocational Rehabilitation (VR) counselor typically becomes involved at age 16, during the student's third year of high school to begin planning the student's next steps after high school.

The Rehabilitation Amendments of 1992 was intended to provide easier access for youth with disabilities transitioning from school to work and bring together rehabilitation and educational services. United States (US) Senate Report, 102-357, specifically states that "...to ensure that all youths with disabilities who require VR services receive those services in a timely manner... There should be no gap in services between the education system and the VR system. Thus an individual's Individualized Plan for Employment should be completed before the individual leaves the school system..."

Federally Determined Waiting Lists

DVR does not have sufficient resources to serve all eligible individuals who apply for services, including youths with disabilities preparing to leave high school. When this occurs, as it did in FY 2001, the public VR program must establish an order for serving eligible individuals with disabilities and must give the highest priority to those with the most significant disabilities.

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Priority Category I individuals, by definition, have a physical or mental impairment that results in serious limitations in four or more functional areas and require substantial VR services over an extended period to become employed. Priority Category II individuals are defined as those having physical or mental impairments, experience limitations in one or more functional areas and require multiple VR services to become employed. Priority Category III individuals are defined as those having a substantial impediment to employment, but do not meet the criteria of category I or II.

Since November 2000, DVR has been operating with these federally determined waiting lists. As a result, DVR counselor caseloads primarily consist of individuals who face the greatest challenges to work, require a larger investment of resources, and on average, take longer to enter the workforce. This leaves no resources to serve other eligible individuals. This means that hundreds of Washington States' youth eligible for VR services will continue to find themselves disenfranchised and without services.

High school youths with disabilities that do not meet the criteria for Priority Category I face many of the same barriers to employment faced by those with more significant disabilities. Individuals in Priority Categories II and III generally require fewer and less costly services to obtain, regain and/or retain employment and have a higher success rates in employment outcomes. General Fund-State (GF-S) funding will allow the division to operate outside the federally determined waiting lists and provide much needed services to the state's youth.

In keeping with US Senate Report, 102-357, DVR's goal is to have an individualized plan for employment in place before the student finishes high school to support a smooth transition and help prevent kids from falling through the cracks. Youths with disabilities need a solid plan in place when they leave high school that connects them with a DVR counselor and outlines the next steps in the student's progression toward independence and employment.

A smooth transition relies upon the availability of DVR services when the student leaves high school to prevent a gap in services that can and often does lead to a loss in a student's motivation and capacity to work, and compromises the investment made and progress achieved during high school.

Additional fiscal resources would ensure that the division can effectively prepare and serve youths with disabilities as they become ready to leave the secondary school system and plan for a productive, fulfilling career future as independent members of our society.

This proposal would affect DVR's activity inventory - direct client services, counseling and guidance, and administration.

Narrative Justification and Impact Statement

How contributes to strategic plan:

DVR's Strategic Plan is designed to help focus efforts and activities to provide the best possible services for our customers. The mission of DVR is to empower individuals with disabilities to achieve a greater quality of life by obtaining and maintaining employment. One of the major challenges identified in the plan is providing services to youth with disabilities preparing to leave high school and transitioning to work. Through employment, customers will have the same opportunities that others have to fully participate in society.

The requested funding will help DVR achieve the following goals:

- Promote self-determination and informed choice.
- Improve the quality and diversity of employment outcomes.
- Collaborate with partners and stakeholders for customer benefit.
- Provide timely and effective services.

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FINAL

Agency: 300 Dept of Social and Health Services
Decision Package Code/Title: JC Youth with Disabilities Employment

Activities additional funding will support:

Providing timely access to pre-VR and VR services by reaching youth early in their secondary education as they begin career exploration. Development of tools and methods to increase the effectiveness of those services. Partnering with local governmental entities and schools to close the gap in resources available for these youths.

DVR will set a target of serving an additional 1,416 youth with disabilities who would not otherwise receive services while the division operates with federally defined waiting lists. Additional indicators of the expected results are:

- a decrease in school dropout rates among those served by the division;
- number of Individual Educational Plans in which the division actively participates;
- percentage of these youths with disabilities who have developed Individual Plans for Employment before leaving high school;
- and a percentage of these youths who successfully achieve employment.

This decision package also contributes to DSHS's strategic plan - Goal B: Improve Client Self-Sufficiency, Objective 2: Provide transition support to encourage client self-sufficiency.

Performance Measure Detail

Activity: J105 Vocational Rehabilitation Direct Client Services

Incremental Changes

No measures submitted for package

Reason for change:

Since November 2000, DVR has been operating with federally determined waiting lists and primarily serving those at the highest priority level, Priority I. This leaves no resources to serve Priority II and Priority III individuals.

There are approximately 700,000 working-age Washington State citizens with disabilities. DVR currently has resources to serve only 25,000 to 30,000 individuals and because these resources are federal dollars, only those on the Priority I waiting list have any hope of being served.

There are over 23,000 youths enrolled in special education who will reach age 18 over the next three years and many of them will be eligible for VR services. However, a significant number of these youths with disabilities will not meet the criteria for Priority I service and will not receive the VR services that have a tremendous impact on their achieving successful employment. While operating under federally determined waiting lists, DVR cannot fulfill its obligation to these youths.

Preparing to enter the workforce has been identified as a major developmental task of adolescence (Havighurst, 1982). During early adolescence, youths begin to examine the societal roles they see around them, roles they will soon assume as they finish high school. Elliott (1993) points out that the successful transition into adult roles (i.e., work, marriage, parenting) appears to help reduce involvement in delinquent behaviors.

The Council of State Administrators of Vocational Rehabilitation (SCAVR) reports that:

- More than one in three youths in correctional facilities received special education services.

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- Over the past several years, the number of youths with disabilities in correctional facilities has risen at over twice the rate of increase of the overall special education population.

In order to support successful employment the division must be able to reach these youths with disabilities in advance of their leaving high school, as early as 16 years of age. In addition, there is a possibility that future changes to the Individuals with Disabilities Education Act (IDEA) will require the Rehabilitation Services Administration programs to serve youths as young as 14 years of age. However, at the rate the waiting list is growing these youth may face lengthy waits for DVR services, even if they apply for DVR services long before they leave school. Those who are not in the highest priority category (those with the most significant disabilities) will never receive services.

DVR Waiting List

There are currently 1,325 individuals coded as high school transition on the DVR waiting list. Of those, 309 are enrolled with the Division of Developmental Disabilities (DDD) and 274 of those enrolled are in the highest priority category. Youths who are not being served also includes youths in many disability groups, including: sensory impairments, physical disabilities, significant learning disabilities, and mental illnesses, etc. GF-S funding will enable DVR to target 1,016 youths with disabilities currently on the waiting list who are not in the highest priority category. Funding would also allow DVR to serve an additional 400 youths with disabilities in the first year of the new biennium. As it stands now, these youth will not be served by DVR.

It is reported that nationally, over 64 percent of youths achieve an employment outcome after receiving services from a public VR program ("A Longitudinal Study of the Vocational Rehabilitation Service Program, Fourth Interim Report: Characteristics and Outcomes of Transitional Youth in VR", Research Triangle Institute, 2000). Based on this expectation, being able to serve 2,832 youths over the next biennium would result in 1,800 youths achieving successful employment and becoming independent members of our society. Further research is in progress on job retention for these youths and preliminary indications are that these youths are less likely to return for additional services.

Other research findings in vocational rehabilitation indicate that the earlier youth with disabilities are involved with the VR process, the more likely they are to become successfully employed. (Moon, M.S. & Inge, K., 1993; Gaylord, V., Golden, T.P., O'Mara, S., and Johnson, D.R. (Eds.), 2002). Moon & Inge (1993) also report that the best predictor of post high school employment success appears to be the exposure to real work environments that matches interests, capabilities and individual circumstances while still in school.

Impact on clients and services:

GF-S funding will enable VR counselors to become involved in planning with youths with disabilities and educators at an earlier age. Counselors could provide information and advice about services and activities that will support the student's successful transition from high school to work. Youths with disabilities will receive continuous services as they progress from services in the high school setting to VR services and employment. If youths with disabilities are still on the waiting list when they exit school, DVR could maintain a continuity of services by using GF-S funds until they are released from the waiting list. Then, the student would move from state only funding to federal program funding.

DVR could serve an additional 1,416 eligible young people transitioning from school to work. This would promote the partnership between DVR and the Office of the Superintendent of Public Instruction (OSPI), school districts, youths with disabilities and their families and county entities. Further opportunities exist to reduce and/or prevent the flow of youth with disabilities into the justice system and to increase the high school graduation rate across income classes and among diversity groups.

- Because so many of DVR's stakeholders are negatively impacted by DVR's waiting list, most would support this proposal, including:
- clients and families,

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- school districts and OSPI,
- advocacy organizations,
- other DSHS programs who also serve DVR clients,
- counties,
- Regional Support Networks,
- community rehabilitation programs,
- independent living programs,
- the State Rehabilitation Council, Governor's Committee on Disability Issues and Employment, Developmental Disabilities Council, Mental Health Council, State Independent Living Council, and
- Client Assistance Program and Workforce Investment Act partners.

Impact on other state programs:

This proposal helps preserve the investment school districts make in youth with disabilities by providing disability and employment consultation to educators early, and creates a continuous progression for the student from school to VR services.

Funding will create work for stakeholders who provide services to DVR clients under an individualized plan for employment. More people would go to college, receive assistive technology, and be provided with job coaching and job development services. This supports the operations and revenues of these partner agencies, including community rehabilitation programs, independent living providers, assistive technology providers, and others.

The funding would allow for greater coordination with other programs to provide a seamless transition from one program to another in a progression of services. DVR's waiting list is frequently cited as a problem for these programs.

Relationship to capital budget:

None

Required changes to existing RCW, WAC, contract, or plan:

Requires DVR to amend its state plan with Rehabilitation Services Administration.

Alternatives explored by agency:

Regulatory restrictions on the order in which we select individuals for services govern the use of federal grant funds, leaving the division with no other viable alternatives.

Budget impacts in future biennia:

DVR will be operating under the order of selection rules indefinitely. As of December 2003, there were 22,953 youths currently enrolled in special education who will reach 18 years of age over the next three years, of which a significant number will be eligible for DVR services.

Once DVR approves an individualized plan for employment with a client, DVR supports the plan through its completion. GF-S will allow the division to initiate more individualized plans for employment, and therefore carry more over into the subsequent biennium for continued funding.

Continuation of GF-S in subsequent biennia is vital due to the impact of carrying over a large number of plans to which substantial funds have been obligated, leaving little available for new employment plans. Youth with disabilities, like all other applicants, would be placed on a waiting list.

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Distinction between one-time and ongoing costs:

This is an ongoing cost with no one-time funding.

Effects of non-funding:

Youth with disabilities, like all other applicants, would continue to be placed on a waiting list for services. As of June 2004, there are 12,000 individuals waiting for services. Individuals in the highest priority category will wait up to one year for services. As the waiting list continues to grow, the length of time individuals wait for services increases.

Costs for VR services continue to rise at a much higher rate than Cost of Living Allowance increases, DVR will not be able to increase the number served. Services will only be available to those individuals at Priority I level. Individuals at Priority II and III levels will not receive VR services needed to enter the work force.

The investment school districts make in special education and other services would be lost if youths with disabilities leave the education setting without the necessary services and supports to progress toward employment. The lengthy wait for DVR services would negatively affect these individuals' motivation and capacity to work. In addition, research findings indicate that:

- One third of youths with disabilities do not finish high school.
- One out of five adults with disabilities did not graduate from high school, compared to less than one out of ten adults without disabilities.
- Youths with severe emotional disturbances (58 percent) and learning disabilities (36 percent) have the highest dropout rates of all disability groups.

Programs that often refer individuals to DVR include mental health centers, DDD, high schools, alcohol and drug treatment centers, higher education institutions, and independent living centers.

Expenditure Calculations and Assumptions:

Annual Calculations: DVR would employ approximately 10 Governor Internship positions at \$50,000 each for salaries and benefits for a total annual cost of \$500,000. Approximately \$210,000 seven percent would be required for indirect administrative costs. This would leave \$2,290,000 for direct client services.

DVR is estimating approximately 254 individuals from age 15-18 would cost \$225,000 annually, 457 individuals from age 19-20 would cost \$685,500 and 305 individuals age 21+ would cost \$549,000, to serve the 1,016 youths with disabilities currently on the waiting list.

See attachment - DVR PL-JC Youth with Disability Employment.xls

<u>Object Detail</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>Total</u>
A Salaries And Wages	400,000	400,000	800,000
B Employee Benefits	100,000	100,000	200,000
N Grants, Benefits & Client Services	2,500,000	2,500,000	5,000,000
Total Objects	3,000,000	3,000,000	6,000,000

DEPARTMENT OF SERVICES TO THE BLIND

Decision Package Title:

Maintain current level of service to eligible blind and visually impaired citizens of the state of Washington who seek competitive employment through the federal vocational rehabilitation program administered by the Department of Services for the Blind.

Agency Recommendation Summary Text:

In order to provide federally mandated services leading to competitive employment outcomes for a steadily growing severely disabled caseload, Department of Services for the Blind (DSB) proposes to increase direct service delivery in the vocational rehabilitation program by one FTE (vocational rehabilitation counselor) in FY 07. DSB also proposes increasing case service expenditures to support this workload growth. The total increase requested in state general funds for the biennium is \$72,000.

Description:

Since federal performance standards were implemented by the Rehabilitation Services Administration (RSA) in July of 2000, DSB has been rated one of the top two state programs for the blind in the nation for quality of employment outcomes. The DSB vocational rehabilitation program serves over 1200 clients each year, with an average of 125 exiting the program each year into competitive jobs. These severely disabled, aging (average age 44), and mostly multi-disabled customers go to work in jobs in integrated settings that pay competitive wages with benefits, health insurance, retirement, etc. Federal and state governments benefit from increased revenues resulting from income and sales taxes paid by these successful customers. Further, costs associated with other government funded programs that support these individuals are reduced or avoided as a result of successful employment outcomes.

The number of blind and visually impaired customers on the caseload receiving services under an Individual Plan for Employment (IPE) has increased steadily at a rate of 60 each year for the past seven years. The number of FTEs allocated to the vocational rehabilitation program up until 2004 remained static at 12 counselors. (We have recently reallocated positions to increase counseling staff by .5 FTE.) This trend indicates that by FY 07 caseload size per counselor will have doubled compared to the FY 97 caseload level.

The growing caseload creates rising costs and stress upon the service delivery system and the staff who provide direct customer services. As more severely disabled customers enter the system without additional case management staff, the number of unsuccessful outcomes increases, even while the number of successful outcomes remains constant. Studies have demonstrated that the greatest predictor of success in the vocational rehabilitation process correlates with frequency of counselor/customer contact. When caseloads are too large, the opportunity for contact diminishes, more people are in the service delivery pipeline who are not receiving the attention needed

and more money is being spent on cases that will not result in employment outcomes. This decreases the agency's ability to invest most effectively in outcomes per dollar.

Without an additional FTE and corresponding case service dollars allocated to the program, DSB anticipates the need to restrict access to the program starting January 1, 2007. This would mean that otherwise eligible customers would have to wait, per an "order of selection", for their vocational rehabilitation services and the opportunity to become competitively employed. State and federal governments would lose potential future income and sales tax revenues, as well as bear the cost for continued forms of public assistance. The performance of the agency, as measured by the number of competitive employment outcomes would be diminished.

Narrative Justification and Impact Statement:

- ***Contribution to Strategic Plan***

Assisting adults with visual disabilities to overcome barriers to employment and go to work in competitive jobs is the primary mission of the agency. The vocational rehabilitation program is 78.7% federally funded and mandates that comprehensive Individual Plans for Employment be implemented for all eligible customers unless the agency invokes an "order of selection".

DSB's Strategic Plan, and specifically vocational rehabilitation program goals and objectives, directly support the Priorities of Government by providing high quality, competitive employment outcomes for a population that would otherwise continue to cost taxpayers rather than pay back in additional tax revenues.

STATEWIDE RESULTS - How our Goals support the Priorities of Government

Agency Activity: Vocational Rehabilitation - Goals and Objectives

Statewide Result-2: Improve the quality and productivity of our workforce

As a result of vocational rehabilitation services, DSB customers go to work in high quality, competitive jobs that enable them to stop depending on government funded programs, to support their families, earn good wages with benefits, become taxpayers themselves and contribute to their local economies.

Goal: Improve Vocational Rehabilitation Services.

- Objective: Increase number of employment outcomes
Agency-level indicator: Number of employment outcomes
- Objective: High Quality employment
Agency-level indicator: Average hourly wage of successful participants

Goal: Expand Vocational Rehabilitation Services

- Objective: Provide services leading to employment to increasing population.
Agency-level indicator: Number of participants served.

Statewide Result-3: Improve the value of a state college or university education

DSB encourages and supports customers in pursuing higher education and academic degrees. Data demonstrates that higher education significantly closes the employment gap for people with visual disabilities.

Goal: Improve Vocational Rehabilitation Services:

- Objective: Increase number of participants receiving services enrolled in certificate or degree programs
Agency-level indicator: Number of VR participants receiving services enrolled in institutions of higher education.

Statewide Result-5: Improve the security of Washington's vulnerable children and adults

Gaining employment, health insurance, retirement and other benefits, as well as the skills to live independently, significantly increases the security of people with visual disabilities.

Goal: Improve Vocational Rehabilitation Services

- Objective: High Quality employment
Agency-level indicator: Number of outcomes at or above minimum wage

Statewide Result-6: Improve the economic vitality of businesses and individuals

DSB continues to lead agencies serving the blind in the nation in quality of employment outcomes: wages, successful job retention, self-employment and small business ventures.

Goal: Improve Vocational Rehabilitation Services

- Objective: High Quality employment
Agency-level indicator: Increase in annual income of successful outcomes
- Objective: High Quality employment
Agency-level indicator: Percentage of participants in competitive jobs.

Goal: Expand Vocational Rehabilitation Services

- Objective: Increase the number of high school students transitioning to VR services.

Agency-level indicator: Number of high school students entering the VR transition program.

The addition of a vocational rehabilitation counselor FTE and a modest increase in case services dollars would create a significant positive impact on the agency-level indicators listed above.

- ***Performance measure detail***

Outcome Measures:

Number of competitive employment outcomes should increase by 11 per year, from the time the new counselor position is added, from an average of 125 over the last 7 years to 136 in FY07.

Output Measures:

Number of vocational rehabilitation participants served should increase from 1200 to around 1300 after the addition of the new counselor in FY07.

Efficiency Measures:

Maintain an average cost of \$2300 per year per person in Individual Plans for Employment, despite a growing caseload.

- ***Reason for the change***

A modest increase of \$72,000 in state funds and one FTE for the biennium would enable the agency to maintain the current service delivery level and continue to serve the 3% of the growing Washington State population who seek and are made eligible for services. The agency would also be able to invest case service dollars in more successful, rather than unsuccessful outcomes.

Competitive employment outcomes for DSB customers will result in a projected payback to both the state and federal governments of over \$2.58 in projected state sales tax and \$2.68 in federal income tax for each state and federal dollar invested in the program. The program provides comprehensive and individualized services, as mandated by the Rehabilitation Act as amended in 1998, to all applicants determined to be eligible.

At the current rate of caseload growth, and without additional resources, the agency would no longer be able to serve all eligible blind or visually impaired customers by January 1, 2007.

Population/Caseload

- The number of blind or visually impaired individuals in the state ages 18-64 has risen from just under 25,000 in FY90 to nearly 38,000 in FY03, an increase of 52 percent.
- Based on OFM population estimates, this number is projected to rise to 45,620 by FY11, an additional 20% increase.
- The total program caseload consistently averaged around 1050 each year throughout the 90's. In FY02 that number jumped 15% to over 1200 and reached 1250 in FY03.
- The number of individuals on the caseload receiving services under an Individual Plan for Employment has increased steadily at a rate of 60 each year for the past seven years. The number of FTE allocated to VR participant counseling during this period remained static at 12 counselors (until .5 was added in 2004). At this rate, the number of participants with an Individual Plan for Employment per counselor will reach 89 by FY07, or double the figure for FY97.
- Despite technical and processes improvements that have increased program efficiency, VR counselors are struggling to accommodate the 100 percent increase in caseload size realized within a single decade. Without additional FTE allocated to the program and case service dollars to support the increased workload, VR will be forced to restrict access to program services by January 1, 2007. Restricting access to services, or declaring an "Order of Selection" would result in an additional administrative burden that would further increase workload, decrease measurable performance, and result in customer dissatisfaction.

Program Cost

- Case services dollars are expended to support comprehensive services, which are part of an Individual Plan for Employment, as mandated by the Rehabilitation Act as amended in 1998. Typical services include assessment, vocational counseling, adaptive skills of blindness training, assistive technology, transition services, small business development, mental health counseling, transportation, academic or vocational training, job search, job development and placement, workplace accommodations, and employer follow-up.
- The total VR program budget has kept pace with inflation, growing at an average rate of 2.5 percent each year since FY97.
- The Field Services portion of the VR budget that supports the cost of purchased client services that directly benefit VR participants has

increased at over double that rate, an average of 5.3% each year during this same time period.

- This increase appears to be directly related to the increasing caseload, specifically the number of participants receiving planned (IPE) services. As stated above, the number of individuals receiving services as a part of their vocational rehabilitation plan has increased an average of 60 each year since FY97. The average cost per individual has remained remarkably constant at \$2,300 per person.
- Assuming this seven-year trend continues, Field Services would require an additional \$100K per year for the foreseeable future. By FY07 the budget required to meet increased caseload would amount to over \$2.2 million, almost a 100% increase in ten years.
- At the assumed growth rate of \$100 K per year, VR Field Services would still run out of money by January 1, 2007, and be forced to restrict access to the program. Restricting access, or declaring an "Order of Selection" will result in an additional administrative burden, further increase workload, inhibit employment outcomes, and cause frustration and anger from DSB's constituency.

Program Effectiveness and Efficiency

- The VR program has been very effective at producing a consistent number of high quality employment outcomes at competitive wages. Projected tax returns more than double program costs for these outcomes.
- With a continual increase in the number of participants entering the system without a commensurate increase in direct service delivery staff, the percentage of participants that do not achieve a successful employment outcome continues to increase.
- DSB staff was recently reduced by 4.3 FTE without a reduction in direct service delivery.

- ***Impact on agency clients and services***

The additional FTE and increase in case service dollars requested would enable the agency to continue to serve the 3% of the growing Washington population who seek and are eligible for vocational rehabilitation services. These resources would enable DSB to continue to achieve a high percentage of quality competitive employment outcomes. The proposed change would enable an additional 60 participants a year to begin an Individual Plan for Employment. DSB customers would continue to go to work in careers of their choice, allowing them to get off public assistance, support their families, pay taxes, and contribute

to their local economies. The modest increase in state funding requested would enable the agency to capture additional federal dollars at a ratio of 21.3% state to 78.7 percent federal.

- ***Impact on other state programs/units of government***

The ability to continue to serve all eligible customers will reduce the impact on other public support programs, as more successful customers earn wages and benefits. In addition, competitive employment outcomes for DSB customers will result in a projected payback to both the state and federal governments. The federal government will receive \$2.68 in future income tax for every federal dollar spent. The state will receive \$2.58 in future sales tax revenue for every state dollar spent.

- ***Relationship to state's capital budget***

N/A

- ***Alternatives explored by the agency***

The agency has reallocated management positions to direct service delivery and has trimmed administrative costs to the extent feasible.

The agency has analyzed the impacts of invoking an "order of selection" and has determined that a more prudent policy decision would be to invest in the employment of blind and visually impaired Washington citizens. An order of selection would create a large administrative burden, cause political issues within the constituency, decrease successful employment outcomes, decrease return on the dollar for state and federal governments, and most importantly, force otherwise eligible customers to wait for the opportunity to become rehabilitated and successfully employed.

The federal Rehabilitation Act mandates that the full array of individualized services be provided. Caps cannot be placed on services, nor can certain services be eliminated. In addition, once a customer has commenced an Individual Plan for Employment, the services outlined on that plan must be completed. However, DSB makes every effort to provide cost effective services and to utilize "comparable services and benefits" whenever available.

DSB has been creative in obtaining "third party match" to offset the shortage of state general funds necessary to capture federal dollars. However, third party match is not "real" money that can actually be spent on client services. DSB actively partners with DVR, WSSB and other agencies to pool resources and solutions that will benefit joint customers.

- ***Budget impacts in future biennia***

State of Washington
Decision Package

FINAL

Agency: 315 Dept of Services for the Blind
Decision Package Code/Title: IL Independent Living For Older Blind

Budget Period: 2005-07
Budget Level: PL - Performance Level

Recommendation Summary Text:

In order to maintain the current service delivery rate of 2.28% to the steadily increasing population of older blind individuals in WA state, Department of Services for the Blind (DSB) proposes to increase direct service delivery funding in the Independent Living program. The total increase requested in state general funds for the biennium is \$74,519.

Fiscal Detail

Operating Expenditures	<u>FY 2006</u>	<u>FY 2007</u>	<u>Total</u>
001-1 General Fund - Basic Account-State	22,817	51,702	74,519
Total Cost	22,817	51,702	74,519

Revenue

<u>Fund</u>	<u>Source</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>Total</u>
001 General Fund	0499 Other Revenue	22,817	51,702	74,519
Total Revenue		22,817	51,702	74,519

Package Description:

The Independent Living program provides services including: low vision assessment and devices, training in independent travel, training in skills of daily living, and counseling to adjust to vision loss. Designed to help people with vision impairment regain their independence, these services are parallel to the therapies (such as physical, occupational and speech) provided to rehabilitate an individual following a stroke, loss of limb, or other serious injury.

As a result of increased program efficiencies, the DSB IL Program served 2,102 clients in FY04 with an average cost of only \$350 for each client. This, however, accounts for less than 3% of the estimated blind population - 103,000 people over age 55 who could potentially benefit from these services. OFM population estimates indicate that the older blind population will increase to 108,359 in 2006 and to 111,979 in 2007. In order to maintain even the limited level of service at 2.28% of the eligible population, the department proposes to serve 2,471 individuals in FY2006 and 2,553 individuals in FY2007.

Vision loss has a powerful impact on daily life and health, affecting an individual's ability to communicate through reading and writing, manage household tasks, move around safely indoors and in the community, and handle medications and other health care regimens. Impaired vision is a major contributing factor to falls, especially among older adults. If not addressed, vision impairment can be isolating and limiting for the affected individual, burdensome for families, costly in terms of in-home supportive services the person may need, and expensive in terms of health care costs necessitated by inadequate self-care, especially injuries. Healthy People 2010, a health initiative of the Office of Disease Prevention and Health Promotion, noted that for older adults, visual problems have a negative impact on the quality of life, equivalent to that of life-threatening conditions such as heart disease and cancer. In a 1996

State of Washington
Decision Package

FINAL

Agency: 315 Dept of Services for the Blind
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study published in The Lancet, it was found that there is mounting evidence that visual impairment is one of the leading risk factors in the elderly for falls resulting in hip fracture. They went on to note that this is of particular concern since hip fractures are also strongly associated with mortality in the elderly, as one in three will not survive beyond 12 months from the fracture, and because vision-related hip fractures are also medically costly, accounting for over \$2 billion per year in direct medical costs. In other studies it has been shown that a client receiving services such as those provided by the Independent Living program will be better able to travel safely and avoid at least some hazards associated with falls (Goodrich & Ludd, 2000).

Narrative Justification and Impact Statement

How contributes to strategic plan:

DSB's Strategic Plan, and the Independent Living program goals and objectives, directly support the Priorities of Government by providing high quality services designed to assist vulnerable adults to maintain and increase independence and self-sufficiency in their own homes or in community settings.

Statewide Result-5: Improve the security of Washington's vulnerable children and adults

As a result of Independent Living services, DSB customers over age 55 are able to maintain their independence at home and in the community, manage challenges commonly associated with vision loss, and use adaptations such as new skills and specialized devices.

Objective: Increase number of blind adults achieving independence

Agency-level indicator: Number of IL participants who achieve higher levels of independence in at least three major life activities as a result of IL services

Agency-level indicator: Number of participants served in the IL program.

Outcome Measures -

Approximately 75% of individuals served will increase independence related to performance of major life activities.

Output Measures -

324 additional individuals will be served during the biennium.

Efficiency Measures -

The program will continue to provide services at an average cost of \$350 per customer.

Performance Measure Detail

Activity: A005 Independent Living

		Incremental Changes	
		<u>FY 2006</u>	<u>FY 2007</u>
02b0	Output Measures Number Of Clients Served In The Independent Living Program.	121.00	203.00

Agency: 315 Dept of Services for the Blind
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Reason for change:

The prevalence of vision impairment increases with age as a result of four major eye diseases: macular degeneration, glaucoma, diabetic retinopathy, and cataract. Among adults age 75 and older, 26% report vision impairment. As the Baby Boom generation ages, the numbers of visually impaired Americans will grow rapidly. An increase of \$74,519 in state funds would enable the agency to keep pace with the current service delivery level of 2.28% of the population of older individuals. At the current rate of population growth, and without additional resources, the agency will no longer be able to maintain even these modest service rates and customers will not be served.

Population/Caseload -

Based on OFM population projections, the number of blind or visually impaired individuals in the state, ages 55 and older, will increase from 103,014 in 2004, to 111,979 or 9% by the end of the 05-07 biennium. By FY11 OFM population estimates show this number is projected to increase to 128,467.

Despite technical and processes improvements that have increased program efficiency, the program will be unable to keep pace with population estimates and continue to serve 2.28% of eligible individuals. Without additional funding, IL will be forced to turn people away for services with no other resources for referral.

Population Diversity -

OFM population estimates show a steady trend of increasing ethnic diversity in the state. The IL program conducts outreach activities in order to reach individuals from minority backgrounds. As the ethnic diversity of the state increases, it will become more difficult for agencies with limited resources available for specialized services, to provide quality service to these groups.

Program Cost -

Case services dollars are expended to support service delivery through eight subcontracts. Services include assessment, skills training, adaptive equipment, and counseling.

Program Effectiveness and Efficiency -

- IL program serves individuals at an average cost of \$350.
- Adds 324 participants served in the biennium.
- The program has been very effective at achieving customer satisfaction of 98%. One of our community subcontractors has conducted outcome studies among its clients. 83% of respondents met the outcome of increased independence after receiving independent living services. 84% used specialized devices such as magnifiers on a regular basis. 94% reported increased ability to manage the challenge of vision loss and 70% reported that they were less dependent on others after receiving services.

Impact on clients and services:

The increase in case service dollars requested would enable the agency to continue to serve 2.28% of the growing Washington population of older blind individuals who seek independent living services. The proposed change would enable an additional 324 participants to be served. DSB customers would continue to remain independent in the community to the maximum extent possible and desired by the individual.

Impact on other state programs:

The ability to continue to serve at least 2.28% of potential customers will reduce the impact on other public support programs as customers maintain increased independence in the home and community.

State of Washington
Decision Package

FINAL

Agency: 315 Dept of Services for the Blind
Decision Package Code/Title: IL Independent Living For Older Blind

Relationship to capital budget:

N/A

Required changes to existing RCW, WAC, contract, or plan:

None

Alternatives explored by agency:

The agency has reallocated management positions to direct service delivery and has trimmed administrative costs to the extent feasible.

The agency encourages subcontractors to seek additional community resources and grants to fund services to additional participants.

Budget impacts in future biennia:

Biennium	FY	2.28% of Population	\$ Caseload	BI Total
05-07	2006	2,471	\$22,817	
	2007	2,553	\$28,885	\$74,519
07-09	2008	2,638	\$29,565	
	2009	2,725	\$30,628	\$89,759
09-11	2010	2,809	\$29,192	
	2011	2,929	\$42,190	\$100,573

Distinction between one-time and ongoing costs:

The Department offers independent living services based entirely on the level of funding available. If funds are reduced in the future, service will be reduced accordingly. So in that respect there are no on-going costs associated with this request. On the other hand, the population who could benefit from this service is growing at a rapid rate so the need is ongoing.

Effects of non-funding:

Without this change, the older blind and visually impaired population of Washington state will not receive valued services that assist them to remain independent and productive in their homes and in the community. Without these services, increased numbers of these individuals will rely on other public services simply because they lack the skills and resources to cope with vision loss.

Expenditure Calculations and Assumptions:

Based on OFM population estimates of blind or visually impaired individuals in the State and agency historical data.

<u>Object Detail</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>Total</u>
N Grants, Benefits & Client Services	22,817	51,702	74,519

Tab 4

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 99
OCTOBER 5, 2004**

AMERICA'S CAREER RESOURCE NETWORK

The America's Career Resource Network (ACRN) is a formula grant to the states from the U.S. Department of Education. This grant is available to the Workforce Training and Education Coordinating Board under Section 118 of the Carl D. Perkins Vocational and Technical Education Act. Information on the uses identified in the legislation and the key activities contained in Washington State's grant application are contained in this tab.

Board Action Requested: Adoption of the recommended motion.

RECOMMENDED MOTION

WHEREAS, The Workforce Training and Education Coordinating Board is recipient of the America's Career Resource Network funding identified in Section 118 of the Carl D. Perkins Vocational and Technical Education Act; and,

WHEREAS, The Workforce Training and Education Coordinating Board has identified key activities to further the State's vision of a statewide system of career guidance and planning to be funded using the America's Career Resource Network; and,

WHEREAS, The Workforce Training and Education Coordinating Board continues to promote the involvement, participation, and contribution of its partners in achieving the State's vision for a statewide system of career guidance and planning; and,

WHEREAS, The Workforce Training and Education Coordinating Board has identified a plan of specific activities requiring implementation by the Workforce Board and its partners for 2004-2005.

THEREFORE, BE IT RESOLVED, The Workforce Training and Education Coordinating Board adopts the 2004-2005 America's Career Resource Network funding strategies.

CARL D. PERKINS VOCATIONAL AND TECHNICAL EDUCATION ACT AMERICA'S CAREER RESOURCE NETWORK

America's Career Resource Network (ACRN) is the title of the national program activity contained in Section 118 of the Carl D. Perkins Vocational and Technical Education Act. This section of the law lists the required activities and the funding mechanism available to states to implement this program.

The major activities of the ACRN are:

1. To provide support for a career guidance and academic counseling program designed to promote improved career and education decision making by individuals (especially in areas of career information delivery and use).
2. To make available to students, parents, teachers, administrators, and counselors, and to improve accessibility with respect to, information and planning resources that relate educational preparation to career goals and expectations.
3. To equip teachers, administrators, and counselors with the knowledge and skills needed to assist students and parents with career exploration, educational opportunities, and education financing.
4. To assist appropriate state entities in tailoring career-related educational resources and training for use by such entities.
5. To improve coordination and communication among administrators and planners of programs authorized by the Carl D. Perkins Vocational and Technical Education Act and the Workforce Investment Act at the federal, state, and local levels to ensure non-duplication of efforts and the appropriate use of shared information and data.
6. To provide ongoing means for customers, such as students and parents, to provide comments and feedback on products and services, and to update resources, as appropriate, to better meet customer requirements.

High Skills, High Wages: Washington's Strategic Plan for Workforce Development 2004 provides the big picture context for the importance and significance of career guidance and planning. The activities funded through ACRN allow us to move forward on key strategies and objectives. The pertinent "High Skills, High Wages 2004" strategies include:

- a) linking skill standards with education and training programs
- b) increasing the number of young people who understand and act on career opportunities available through career and technical education and training programs
- c) developing individual career plans that are integrated with a range of school programs to ensure all youth are aware of the link between learning and employment and their career options.

The Workforce Board's Year 5 grant application will continue development of a statewide system of career guidance and planning that benefits individuals at every level in their progression through education, training, and work. We are proposing a series of funding strategies that support:

- Employment Security Department (ESD) products and services
- Expansion of Franklin Pierce School District's *Navigation* model
- Linking workforce development programs, career guidance, and job placement services
- Office of Superintendent of Public Instruction's (OSPI's) website for student planning
- Workforce Board's *Where Are You Going?* (career guide).

ESD will continue to provide career guidance information through professional development and training opportunities with a special emphasis on the secondary system. This includes work on *Workforce Explorer*, *Jobs for the Sidewalk Economist*, and other labor market information items designed to assist educational institutions in coordination with OSPI's emerging website. Funds will be used to assist in the development, provision, and understanding of these contemporary and informative publications and services. The Franklin Pierce School District's student education and career planning model, entitled *Navigation*, is a successful endeavor that motivates students and engages parents. Funds will be used to expand the model, conduct assessment activities, and replicate it as a best practice.

In June, in response to the Priorities of Government budget-building process, the Workforce Board and ESD were assigned the following task, "to improve linkages between workforce development programs and career guidance and job placement services, including the services provided through WorkSource." The result is an interagency commitment to expand awareness and increase systemwide use of our state's career guidance assets. This will involve a 5-year strategy. Funds will be used for "linking workforce development programs, career guidance, and job placement services" to promote and advance the Priorities of Government assignment, including contracting with an entity to organize and coordinate this year's activities.

Further development and enhancement of OSPI's website for student planning is anticipated with funds dedicated to assist in releasing the website and promoting its use. The Workforce Board will use funds to assist in the update, printing, and distribution of its 2004 career guide publication, *Where Are You Going?*

These funding strategies and amounts are contained in Attachment 1. Available funds for Year 5 include the base grant of \$218,000 and carry forward funds of \$105,000.

Coordination of the ACRN activities is supported by an interagency team consisting of staff from the Workforce Board, OSPI, State Board for Community and Technical Colleges, ESD and the Washington Occupational Information System.

A Career Resource Network Grant (ACRN)

2004-05 Grant Request Budget Activities

\$218,000	5th Year ACRN Grant Allocation
\$105,000	2003-04 Carry-forward
<u>\$323,000</u>	Total 2004-05 ACRN Budget

\$125,000	Employment Security <ul style="list-style-type: none">Workforceexplorer.comSidewalk Economist & Entry PointsOccupational OutlooksStudent Planning MaterialsCD Rom-based TrainingBookmarksPosters
\$60,000	Linking Workforce Development Programs, Career Guidance, and Job Placement Services <ul style="list-style-type: none">MaterialsTravelPersonal Services ContractActivity CoordinationTeam PresentationsProfessional Development
\$60,000	Franklin Pierce School District Navigation Model <ul style="list-style-type: none">AssessmentCurriculum Development and PublicationReplicationPromotion and Marketing
\$30,000	Office of Superintendent of Public Instruction (OSPI) <ul style="list-style-type: none">Website Development for Student Planning
\$30,000	Workforce Training and Education Coordinating Board <ul style="list-style-type: none">Career GuidePublication and PrintingDistribution
\$15,000	Washington Occupational Information System (WOIS) <ul style="list-style-type: none">Service Contract for Career GuideResearchTechnical Assistance
\$3,000	Miscellaneous

Tab 5

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 99
OCTOBER 5, 2004**

Higher Education Planning: Enrollment Growth and Upper Division Capacity

As the number of students seeking lower division coursework at community and technical colleges increases the need for upper division capacity also increases. In order to plan for future enrollments and serve the needs of transfer students the State Board for Community and Technical Colleges (SBCTC) is conducting a study on upper division capacity. This study examines the extent to which this capacity will need to be expanded to meet the forecast demand for both lower and upper division coursework. The study presents options for providing additional capacity. Workforce Training and Education Coordinating Board staff have been conducting research jointly with SBCTC staff to assess the need for applied baccalaureate degrees as part of this study.

This tab includes information to update the Workforce Board on SBCTC's study of upper division capacity.

Board Action Required: None. For discussion only.

SBCTC Upper Division Capacity Study

September 2004

Purpose:

To examine the policy options to expand upper division capacity. The options for increasing capacity under consideration include: existing public institutions, branch campuses, two-plus-two centers, two-year colleges offering baccalaureate degrees in high demand fields, and the role of private institutions.

Key Questions

How much upper division capacity is needed in the next decade?

- Consider current participation rates and demographic projections.
- Consider HECB, OFM, WTECB approaches.

What is the geographic distribution of the needed capacity?

- Consider current participation rates by county and attendance patterns to project where students from counties will want to attend college.

What degree programs are needed in each geographic area?

- Consider current distribution of majors by university freshman and transfer students.
- Consider HECB goals and WTECB analysis.
- Include demand for applied baccalaureate degrees.

What are the options for meeting the projected upper division capacity needs?

- Growth plans for existing public and private baccalaureate institutions including branch campuses.
- Consider expanding existing university centers, establishing additional university centers, 3+1 degree programs, and CTC baccalaureate degrees.

What are the differences in financial costs to the state for various options to increase capacity?

- Consider previous analyses, HECB and legislative analyses.
- Consider operating and capital costs for university centers and CTC baccalaureate degrees.

What are the differences in costs to students for various options to increase capacity?

- Tuition, living costs.
- Look at other state experiences.

What are the role and mission differences for two-year colleges for various options?

- Consider demographic characteristics of students using various baccalaureate pathways: race, age, placeboundness, financial aid status.
- Examine impact of university centers and CTC bachelor's degrees on college role and mission.

What are the options or combination of options available to the state to provide the appropriate level of additional baccalaureate capacity, by region?

Tab 6

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 99
OCTOBER 5, 2004**

STATE POLICY ON GRADUATION AND DROPOUT RATES

Background:

In November of 2003, the Board passed a resolution approving an action plan for addressing the issue of high school graduation. Part of that action plan called for the Board to “support and encourage efforts by other agencies or legislators to enhance state policy and procedures on the reporting of and accountability for high school graduation.”

Washington’s goals for high school graduation and dropout rates are established by the Academic Achievement and Accountability Commission (A+ Commission), subject to review by the Legislature. Per the A+ Commission rule, secondary schools that are above the statewide average “on-time” graduation rate (which was thought to be 73 percent at the time the A+ Commission established the rule, but is now determined to be 66 percent) do not have to improve until 2014. Schools that are below the statewide average have to improve by one percentage point per year in order to demonstrate adequate yearly progress (AYP) under No Child Left Behind (NCLB). The goal for improving the graduation rate does not apply for subpopulations unless a school or district is accessing NCLB’s “safe harbor” provisions, something that is unlikely to occur. At its September 2004 meeting, the A+ Commission passed a motion to file a “notice of intent” to adopt a rule change on the topic of high school graduation and dropout rates.

Pete Blysmas, Director of Research and Evaluation for the Office of Superintendent of Public Instruction (OSPI), will present the latest numbers on the dropout/graduation rate for the class of 2003, as well as the proposal by OSPI to modify the high school graduation rate accountability provisions for AYP under NCLB. Included in this tab are copies of Mr. Blysmas’s presentation and OSPI’s 2004 Graduation and Dropout Report.

After the presentation by OSPI, the Board will discuss policy issues relating to high school graduation and dropouts. Attached is a paper briefly summarizing some of these issues. At the November meeting, the Board will be asked to establish an official position on advocacy for high school graduation and dropout policy.

Board Action: None. For discussion only.

GRADUATION AND DROPOUT POLICY

The high school graduation action plan adopted last November called for the Board to “support and encourage efforts by other agencies or legislators to enhance state policy and procedures on the reporting of and accountability for high school graduation.” Since adoption of the plan, staff has conferred with key stakeholders on this issue to determine the appropriate policy steps. The following policy issues have been identified in these discussions as key issues to be resolved at the state level in the near future:

1. **Whether there should be a revised goal that provides for incremental improvements on the high school graduation rate.** Currently, secondary schools that are above the statewide average “on-time” graduation rate of 66 percent do not have to improve until 2014, at which time they would have to be at 85 percent. Schools that are below the statewide average have to improve by one percentage point per year in order to demonstrate adequate yearly progress. The Office of Superintendent of Public Instruction (OSPI) has proposed revising this policy to establish incremental improvement goals to reach the 85 percent goal by 2014. The Workforce Board will want to consider whether to endorse OSPI’s proposal or to recommend something different. Although there seems to be fairly universal support for the concept of incremental improvement, the issue is complicated by the fact that schools do not receive credit under the federal definition of “on-time” graduation for students who graduate in five or six years.
2. **Whether the A+ Commission and legislature should provide incentives for improving the high school graduation rate for student subpopulations.** There is considerable resistance in the education community to establishing additional graduation goals for subpopulations; schools could fall short of meeting them and, thus, would not meet their adequate yearly progress requirements. Most stakeholders agree, however, that the graduation rates for subpopulations need to be addressed in some manner due to the significant graduation gap between students of color and the white population. One option would be to establish some form of state incentive policy outside of the No Child Left Behind process to encourage schools and school districts to actively pursue programs and activities to close the gap.
3. **Whether the state dropout statute should be revised to require the reporting of dropouts in the 7th and 8th grade.** In visiting with the minority commissions to discuss the dropout issue, they unanimously expressed concern about the number of students who drop out of school before they reached the ninth grade. Several legislators have also expressed their concern about this issue. Current statute does not require schools to report the number of students who have dropped out in the 7th or 8th grade. Given the new student identifier system being implemented by OSPI, this information could be made available.

Graduation & Dropout Statistics

Final Results for School Year 2002–03 September 2004

Available on OSPI Web site at
<http://www.k12.wa.us/DataAdmin/>

Pete Bylsma, Director
Research/Evaluation/Accountability
OSPI

Three Types of Students

- **Graduates**

- Student who receives a regular high school diploma in “standard number of years” (4 years)
- Adult HS diploma is considered a regular diploma

- **Dropouts**

- Students who leave school without a regular high school diploma and do not transfer to another school
- Includes “unknowns” and those completing with a GED

- **Continuing**

- Students continuing beyond grade 12 are neither “on-time” graduates nor dropouts

Evolution of Graduation Rates

- **August 2002** OSPI reported rate for Class of 2001
 - First time “on-time” graduation rate reported (72%)
- **Jan 2003** AYP goals set at 73% (85% in 2014)
 - A+ Commission rule uses the state average as the goal
- **December 2003** State rate for Class of 2002 becomes 66%
 - Reflects new methodology to account for dropouts in grades 9-11
- **June 2004** OSPI receives federal approval to use 66% as the interim goal (still 85% in 2014)

Graduation Rate and NCLB

- Additional AYP indicator for high schools
 - On-time graduation rate for a cohort of students
- Accountability goals
 - At least 66% (85% in 2014)
 - If below 66%, improve by at least 1 percentage point
 - A+ Commission to review goals in 2004
- Rates for 8 student groups are used only for “safe harbor” purposes
 - If subgroup doesn’t make the goal but makes a 10% reduction in percent not meeting standard, it can make AYP if the graduation rate meets the goal.

Calculating the Graduation Rate

- Percentage of students graduating from high school with a regular/adult HS diploma in four years
- Different methods are used to calculate graduation and dropout rates
 - NCES, Census, Manhattan Institute, Urban Institute
 - Annual rates and cohort rates confuse the public
 - Poor data quality and student mobility distort rates

Calculating the Graduation Rate

Current Formula

- Use annual dropout rate from each grade (9-12) as the estimate of the cohort's dropout rate in those grades in prior years
- Factor in "continuing" rate (students not finishing after grade 12)
- Remaining students are on-time graduates of a cohort
- Students transferring out and deceased removed from formula
- Assumes present is like the past
- Use this method until core student record system is fully in place for a graduating cohort

Calculating the Graduation Rate

Advantages of revised method—accuracy & simplicity

- Relies on most recent year of data (most accurate)
- Considers dropouts from grades 9-11
- Doesn't require access or changes to student records from previous years
- No need to know the number of students starting grade 9 or transfers into the system
- Relies on fewer data and codes, so less susceptible to error
- Simple to understand and compute
- Produces the same results as other methods

Data Quality Issues

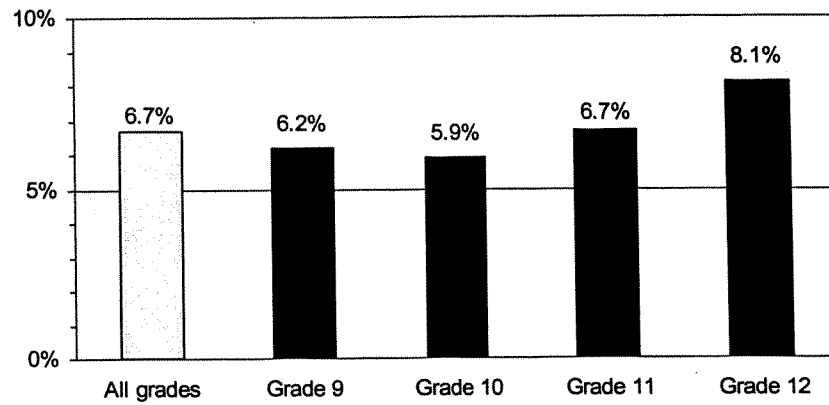
Best data quality to date

- Many more quality controls put in place

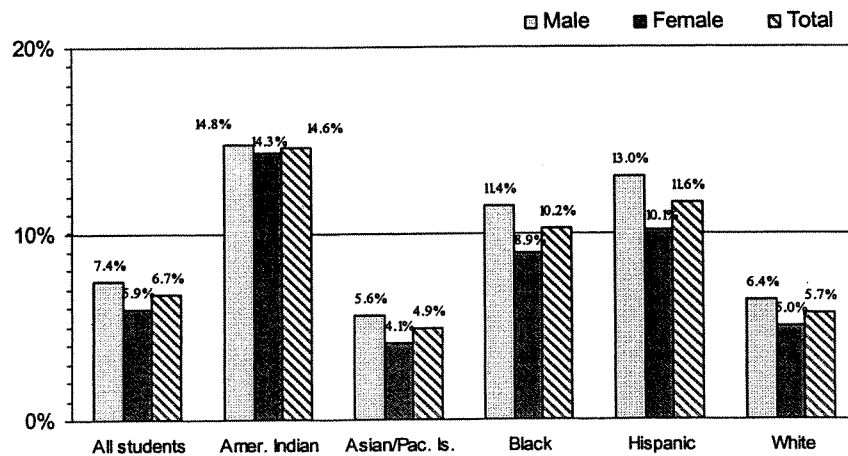
Consider results to be estimates

- Some results are now known to be incorrect
- More use and scrutiny of data will result in more accurate statistics for School Year 2003-04

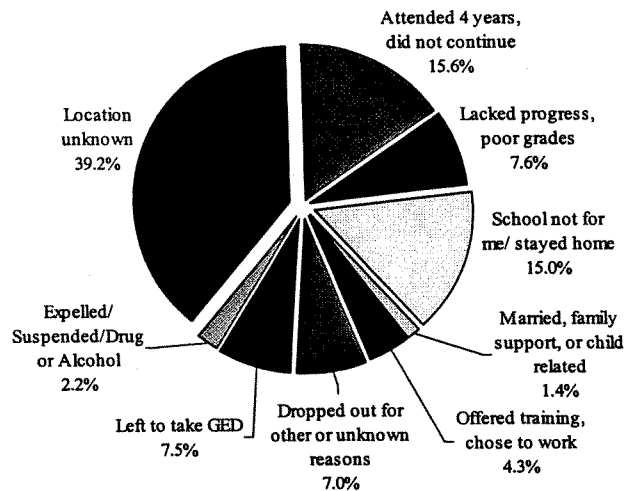
Dropouts in 2002-03



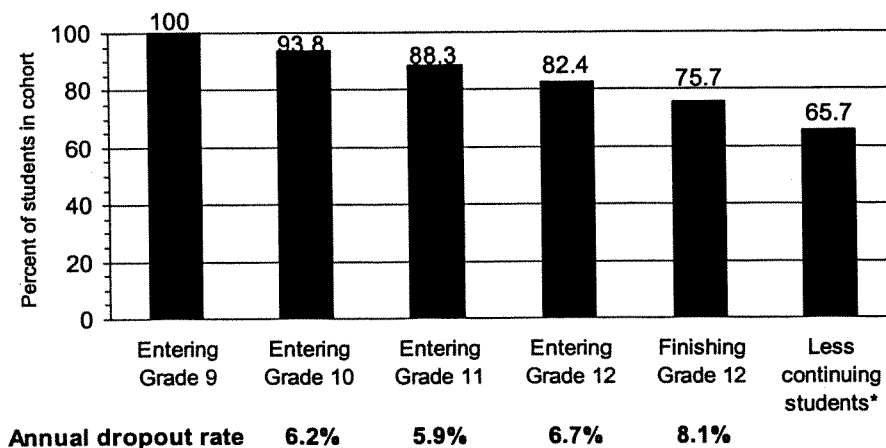
Dropouts in 2002-03



Reasons for Dropping Out of Grade 12 (School Year 2002-03)

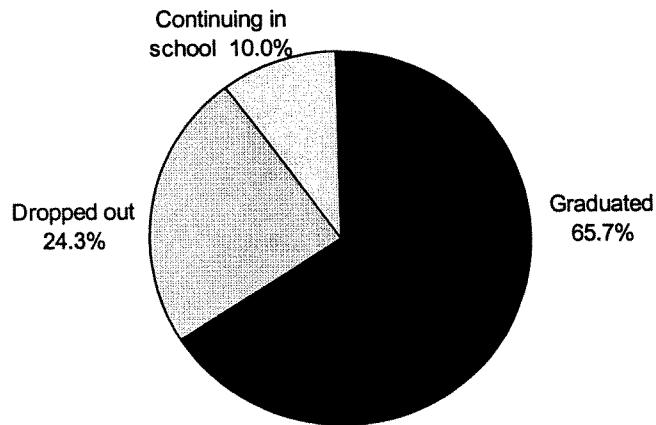


Attrition in the Class of 2003



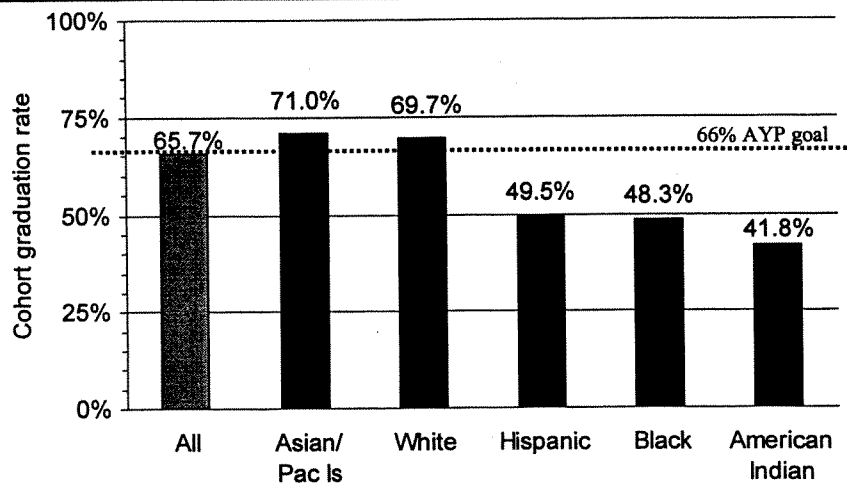
* A total of 12.1% of the Grade 12 students were still enrolled in school at the end of the year, which represents 10% of the cohort.

Class of 2003 Cohort Enrollment Status



Est. On-Time Graduation Rates

State of Washington, Class of 2003

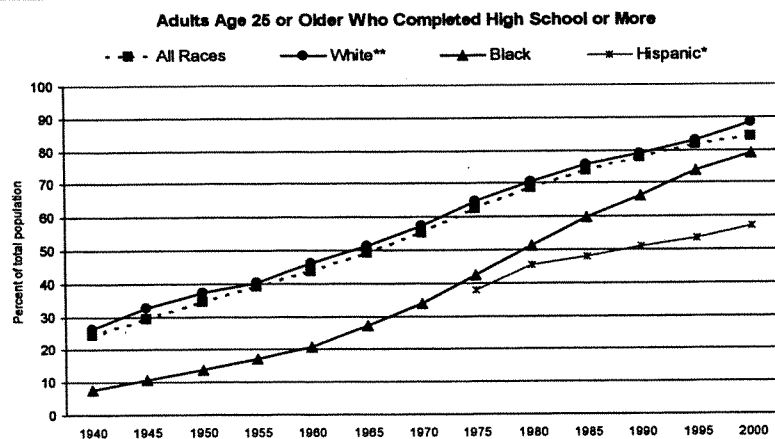


Graduation and Dropout Trends

On-time cohort graduation rate remained the same

- Class of 2002 and 2003 have a graduation rate of 65.7%
- Fewer dropouts in Class of 2003, but more continuing in school beyond Grade 12
- Whites had a slightly lower graduation rate
- Asian/Pac Is., Blacks, and Hispanics all had higher graduation rates and lower dropouts rates
- Class of 2003 had a higher percentage of students in groups that had lower rates (“Simpson’s paradox”)

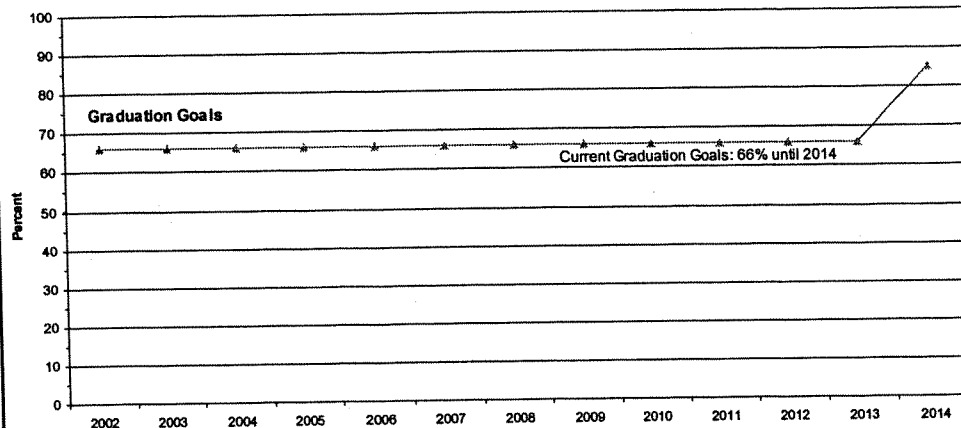
The Big Picture



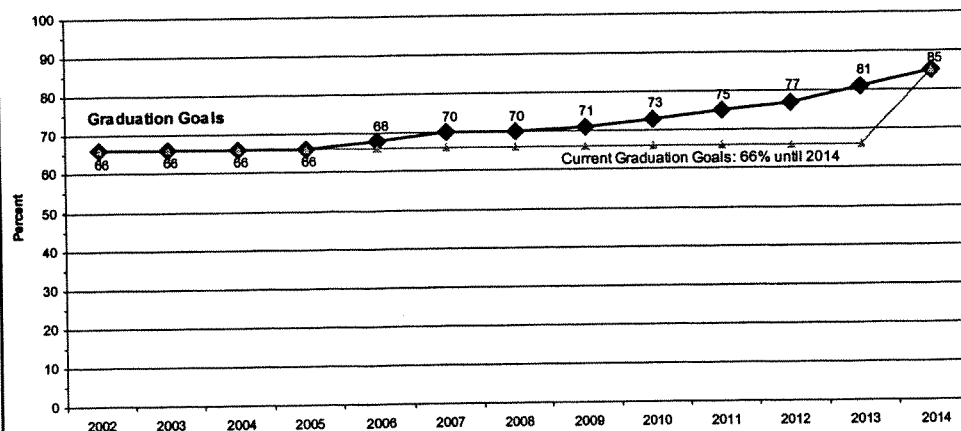
* No data available for 1940-1970
** Data for 1945-1990 are estimates

Source: National data from U.S. Census Bureau

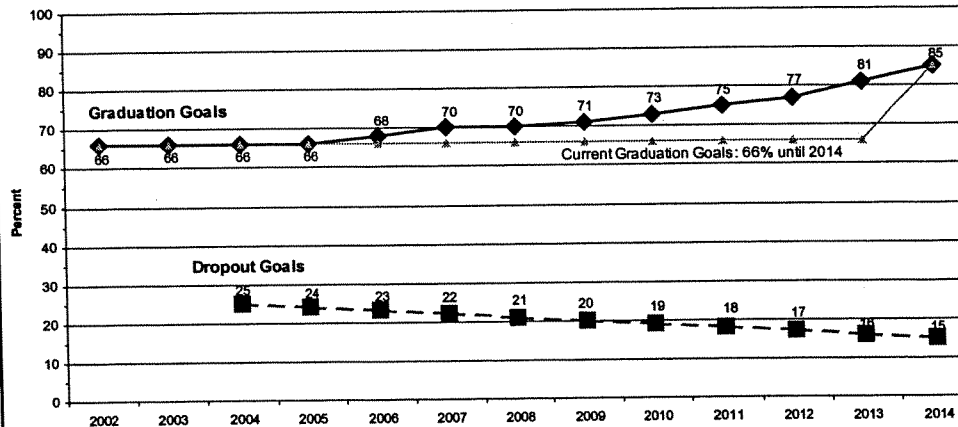
Graduation Rates and AYP



Graduation Rates and AYP



Graduation Rates and AYP



Graduation and Dropout Statistics

**For Washington's Counties, Districts, and Schools
School Year 2002–03**

Graduation and Dropout Statistics for Washington's Counties, Districts, and Schools

School Year 2002–03

Prepared by

Pete Bylsma, Director, Research/Evaluation/Accountability
Lisa Ireland, Data Analyst

Assessment and Research
Office of Superintendent of Public Instruction

Dr. Terry Bergeson
Superintendent of Public Instruction

Dr. Mary Alice Heuschel
Deputy Superintendent, Learning and Teaching

September 2004

Office of Superintendent of Public Instruction
Old Capitol Building
P.O. Box 47200
Olympia, WA98504-7200

For more information about the contents
of this document, please contact:
Pete Bylsma, OSPI
E-mail: pbylsma@ospi.wednet.edu
Phone: 360.725.6356

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Abbreviations

AYP	adequate yearly progress
GED	General Educational Development credential
IEP	individualized education program
NCLB	No Child Left Behind Act of 2001
OSPI	Office of Superintendent of Public Instruction

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The authors would like to acknowledge the work of Rosalind Philips in OSPI's Data Administration office who received and helped prepare the data used in this document. Staff of the Social and Economic Science Research Center at Washington State University also assisted in preparing the data for analysis.

EXECUTIVE SUMMARY

In school year 2002–03, about 7 percent of all high school students (those in grades 9–12) dropped out of school. Males dropped out at a higher rate than females, and more than 10 percent of all Black, Hispanic, and American Indian students dropped out of a high school grade during that year. Of the students who began Grade 9 in the fall of 1999 and were expected to graduate in 2003, an estimated 24 percent dropped out and did not receive a diploma. About 66 percent of this cohort of students graduated “on-time” and 10 percent were still enrolled in school at the end of Grade 12. Asian/Pacific Islander and White students had the highest graduation rates (71% and 70%) while less than half of the American Indian, Black, and Hispanic students had graduated at the end of the four-year period. Compared to the previous year, fewer students dropped out in all groups but more students did not finish in four years, so the on-time graduation rate remained the same.

The consequences of not graduating from high school have become increasingly serious for both individuals and society as a whole. As a result, obtaining accurate information about high school graduation and dropout rates is more important. New state and federal accountability systems now require more detailed graduation and dropout data. The federal No Child Left Behind Act of 2001 (NCLB) requires states to report disaggregated “on-time” graduation data for nine groups of students: the five major racial/ethnic groups, students with disabilities, students with limited English proficiency, students from economically disadvantaged families, and all students combined. Under certain conditions, the rate for these groups helps determine if a high school makes Adequate Yearly Progress (AYP) for federal accountability purposes.

School districts report the enrollment status of their Grade 9–12 students to the Office of Superintendent of Public Instruction (OSPI). These students fall into three broad enrollment categories: (1) *graduates*, those who complete their education with a high school or adult diploma; (2) *dropouts*, those who dropped out of school for any reason, finished their schooling with any credential other than a regular diploma such as a General Educational Development (GED) credential, or left school and have an “unknown” status; and (3) students who are *continuing* their schooling. This report provides information on these students using enrollment data for the 2002–03 school year.

The percentage of students in each category can be calculated in different ways, so making comparisons across schools, districts, and states and from one year to another should be done with caution. Moreover, the graduation results provided in this document should be considered estimates. While the quality of the data provided by districts to OSPI continues to improve, few districts have data systems that can provide information about students in the group or “cohort” who were expected to graduate in 2003 but who dropped out in previous years. In addition, some districts now realize the enrollment information provided for some students is incorrect. Hence, a new method was used this year to estimate the level of dropouts that occurred for the cohort of students who began Grade 9 in the fall of 1999. This method uses dropout data from the most recent year to estimate the dropout rates for this cohort of students in previous years. The results are consistent with those found by researchers who use other methods.

This report provides two types of results at the state, county, district, and school levels: (1) annual dropout rates for the 2002–03 school year, and (2) estimated graduation, dropout, and continuing rates for the cohort of students who were expected to graduate in 2003.

Dropout Rates

A total of 21,390 students dropped out of school statewide in Grades 9–12 during the 2002–03 school year. This represents 6.7 percent of all students enrolled during the school year in Grades 9–12 and is one percentage point lower than the 2001–02 dropout rate (7.7%).

- The annual dropout rate was lowest in Grade 10 (5.9%) and highest in Grade 12 (8.1%).
- Asian/Pacific Islanders had the lowest annual dropout rate (4.9%) while American Indians had the highest annual dropout rate (14.6%). Blacks and Hispanics had annual dropout rates above 10 percent.
- Males dropped out at a higher rate (7.4%) than females (5.9 %).
- The cumulative (4-year) dropout rate for those expected to graduate in 2003 was 24 percent, which was less than the cumulative dropout rate of 28 percent recorded in 2001–02.

Of the students who dropped out in Grade 12, the largest percentage (39%) had an unknown enrollment status and therefore were categorized as dropouts. (Some may have dropped out, received a GED, or graduated elsewhere.) Nearly 16 percent left school after attending four years of high school.

Cohort Graduation Rates

Of the students who were expected to graduate in 2003, an estimated 66 percent graduated “on-time” (i.e., in a four-year period) with a regular diploma. This is the same rate as those who were expected to graduate in 2002. Another 10 percent were still enrolled and continuing their education beyond the four years, a higher percentage than in 2002. The remaining 24.3 percent of the cohort dropped out of school.

- Asian/Pacific Islander had the highest cohort graduation rate (71.0%), with White students graduating at a slightly lower rate (69.7%).
- American Indian students had the lowest rate (41.8%). Black and Hispanic students as well as those in special education and with limited English proficiency had graduation rates below 50 percent.
- Females graduated on time at a higher rate (69.8 %) than males (61.9%).

High schools with at least 30 students must have a cohort graduation rate of at least 66 percent to meet federal and state goals.¹ Of the 495 schools that had Grade 12 students and at least 30 students in the high school grades, 56 percent had an on-time graduation rate that met the goal. The other 44 percent had an on-time graduation rate below 66 percent. Schools that have the lowest graduation rates were usually alternative schools or those serving small numbers of students with special needs.

¹ This percentage was considered the state average for the cohort of students that was expected to graduate in 2002 and was made the goal for accountability purposes. If a school has a rate below 66 percent, it can make “adequate yearly progress” if the rate is at least one percentage point above the previous year’s rate.

CHAPTER 1

INTRODUCTION

Background

Information about high school graduation and dropout rates has become increasingly important with the advent of new state and federal accountability systems. In addition, the consequences of not graduating from school have become increasingly serious for both individuals and society as a whole. Students who drop out are less likely to be employed and will earn less over their working life, and trends toward a higher skilled labor force will make it even harder for dropouts to find good jobs. A General Educational Development (GED) credential, pursued by many dropouts, does not adequately prepare them for well-paying jobs or for accessing higher education. Dropouts tend to experience higher rates of early pregnancy and substance abuse and they often require more social services of various types. Young people who are imprisoned are likely to be school dropouts.² Earning a high school diploma is now the norm: less than 7 percent of the adults age 25 or older had a high school diploma 100 years ago, but by 2000 more than 84 percent had completed high school or its equivalent by that age.³

State law (RCW 28A.174.010) requires school districts to account for the educational progress of each of its students in Grades 9–12. This reporting requirement makes it necessary for OSPI to collect a record for each student in Grades 9–12. Each year districts provide information on these students to OSPI on Form P-210, which includes data on the number of students who dropped out, completed school via graduation and other means (i.e., an individualized education program or IEP diploma, an adult diploma, or a GED credential), transferred out of a school, and the reasons why students dropped out. The reporting period for the P-210 for school year 2002–03 is defined as the first day of school in the fall of 2002 to the day before the first day of school in the fall of 2003. Districts were to report their data to OSPI by October 15, 2003. In the future, enrollment information will be collected on all students as part of a new core student record system. A total of 246 districts reported having 669 schools serving students in at least one high school grade in school year 2002–03.

The data reported on Form P-210 is used for federal accountability purposes as well. In order to prevent schools from achieving better test results by having low performing students leave school, the federal *No Child Left Behind Act of 2001* (NCLB) requires the use of graduation rates when determining if a high school has made Adequate Yearly Progress (AYP).⁴ This law defines the graduation rate as the percentage of students who graduate in “the standard number of years” (i.e., “on-time”) with a regular diploma;⁵ students who complete their education with a GED are

² For more information about the nature of the dropout problem and how it can be addressed, see *Helping Students Finish School: Why Students Drop Out and How to Help Them Graduate*, published by OSPI in December 2003. It can be accessed and downloaded at <http://www.k12.wa.us/research/default.aspx>.

³ This statistic includes students who graduate from private schools or complete with a GED credential. NCLB applies only to public schools and implicitly requires graduation with a regular diploma by age 18.

⁴ The rates is based on the cohort of students who enroll in Grades 9–12. The number of students that drop out of school prior to entering Grade 9 is unknown at this time.

⁵ In June 2004 the U.S. Department of Education accepted OSPI’s revised AYP policy that considers students with disabilities who finish their education in the number of years designated in their IEP as on-time graduates. There are very few of these students in the state.

to be considered dropouts. NCLB also requires the reporting of disaggregated data for nine groups of students: the five major racial/ethnic groups, students with disabilities, students with limited English proficiency, students from low-income families, and all students combined. If a group in a high school does not make AYP because of its test results, the group can still make AYP if the group has reduced the percentage of students not meeting standard by at least 10 percent from the previous year and the group has a graduation rate that meets the required AYP target (this concept is known as “safe harbor” in NCLB).⁶

Rates can be calculated in various ways, so it is important to consider the methods and definitions used when analyzing rates and making comparisons across schools, districts, and states and from one year to another. For example, the federal government requires states to report an annual (also called “event”) dropout rate, which is the percentage of students who dropped out of school in one year without completing an approved high school program. The annual high school dropout rate for Grades 9–12 is based on the total number of dropouts and total enrollments across these four grades. In contrast, a cohort dropout rate is based on the percentage of students who began Grade 9 in a given year but dropped out of school before receiving a regular diploma. The cohort graduation rate can be calculated in a similar manner.

Some types of results that have been reported in previous years are no longer reported because they cause confusion and provide an inaccurate picture of what is happening in the school system.⁷ Moreover, this year’s “on-time” graduation results are not comparable with the results provided in OSPI’s June 2003 report for the Class of 2002 because the methodology was changed to provide more accurate results (see below). However, the updated on-time graduation rates shown on the OSPI Report Card for school year 2001–02 are comparable to the on-time rates shown in this document.

Definitions

Students fall into three broad enrollment categories: (1) *dropouts*, students who drop out of school for any reason, finish their schooling without a regular diploma, or whose status is “unknown” because they are no longer enrolled but are not confirmed transfers or dropouts; (2) students who are *continuing* their schooling; and (3) *graduates*, students who graduate with a regular high school or adult diploma.⁸ A fourth group—students who transfer to another school—are removed from all calculations to avoid counting the same student more than once.

The specific definitions used in Form P-210 and in this report conform to the federal government definitions and are as follows:

⁶ The state has set a goal for schools and districts to have an “on-time” graduation rate of at least 66 percent in order to make AYP. If the rate is below 66 percent but is at least one percentage point above the previous year, AYP has been made. The state’s Academic Achievement and Accountability (A+) Commission adopted the same goals for high schools but will review them this year. In 2014 the goal is 85 percent. For more information about the state’s plan to meet the federal NCLB requirements, see the OSPI Web site at <http://www.k12.wa.us/ESEA/default.asp>.

⁷ The federal government asks each state to calculate and report annual rates using the number of students enrolled in October of the school year (based on Form P-105) as the denominator, even though more students may be served during the year. Results using this method are not reported in this document. Instead, results using the total number of students served during the year are provided.

⁸ This year, students who complete with an IEP diploma are considered graduates. This has been our practice except when reporting results last year (for school year 2001–02). There were only 92 of these students statewide.

Dropout A dropout is a student who leaves school for any reason, except death, before completing school with a regular diploma and does not transfer to another school. A student is considered a dropout regardless of when dropping out occurs (i.e., during or between regular school terms). A student who leaves during the year but returns during the reporting period (including summer program) is not a dropout. Students who receive a GED certificate are also categorized as dropouts. If a student leaves the district without indicating he or she is dropping out, and the district is not contacted by another school requesting student records (an unconfirmed transfer), the student has an “unknown” enrollment status and is considered a dropout.

As of the 1998–99 P-210 collection, districts were required to report students that drop out or leave with an unknown status until (1) they return, (2) a request for student records is requested, or (3) until their class graduates. However, most districts do not have data systems that allow this type of reporting to occur. As a result, cohort rates provided in the past are not accurate because they did not include students in the cohort who dropped out in Grades 9–11.

Continuing Students are considered to be continuing their education in the school if they are not assigned an exit code (i.e., a graduate or other type of completer, a transfer, a dropout, an unknown, or deceased).

Graduate A student is considered to be a graduate if he or she received a high school diploma or an adult diploma from a community college program during the reporting period (including a summer program).

Class of 2003 A student who was expected to graduate in 2003 is in the cohort of students of the Class of 2003. The graduation year is assigned at the beginning of Grade 9 (in this case, in the Fall of 1999) and is set as four years later. The year is assigned upon entry when a student transfers into a school. This graduation year is not to be changed unless an error was made during the initial assignment of the graduation year. Students who transfer into the district after Grade 9 may be assigned a grade and graduating class based on the district policy (usually according to the level of credits earned or chronological age). Students with disabilities may be given a graduation year beyond four years if the IEP plan says it will take more than four years. The graduation year can be changed for these students until they become age 16.

Methodology

The data used to generate the results in this report come from Form P-210 (see Appendix D).⁹ This student-level report is to be submitted to OSPI in the fall of each year and provide the status of Grade 9–12 students in the previous school year. OSPI analyzed the student records for completeness and asked districts to resubmit data if errors were identified. Further analyses were conducted after the records were submitted to identify any data anomalies that could signal additional problems. For example, some districts reported having no students with a disability or in a particular grade. If problems were found, districts were asked to provide corrected data.

The graduation and dropout rates were based on the final P-210 records.¹⁰ Students coded as transfers (i.e., those that leave and that have records requested by another school) were removed

⁹ P-210 instructions are found at <http://www.k12.wa.us/DataAdmin/pubdocs/P210/200203P210RptingManual.pdf>.

¹⁰ A total of 246 districts reported having 672 schools serving students in at least one high school grade.

from all calculations to avoid counting the student more than once. Students who become “home-based” are considered transfers. Totals for institutions and unaffiliated or autonomous buildings are included in the state and county totals but not in district totals. Students who exited or were age 21 prior to August 15, 2002 were not included in the calculations because they exited prior to the 2002–03 school year. A student who graduated and was coded as being in any grade other than Grade 12 was considered to be in Grade 12. This credits the graduation in the year it occurred and relieves the district from reporting exited students in later years. Students who completed their education with an IEP diploma were considered graduates; students who completed with a GED certificate were considered dropouts, as required by NCLB.

The quality of the P-210 data provided by districts to OSPI continues to improve. Although districts were instructed to list students in the Class of 2003 who had dropped out in previous years, very few districts have the ability to report these students. Thus, a new method was used this year to estimate the level of dropouts that occurred for the cohort in previous years.¹¹ This method uses current year dropout data as a proxy for the cohort dropout rates in previous years. The assumption is that the current year’s dropout rates are the same as those that occurred in the previous years when students in the cohort were in those grades. The results generated using this method are consistent with those found by other researchers who have used different methods to estimate cohort graduation rates.

This new method has several advantages over the previously used method and those used by other researchers. First, it provides much more accurate results than those reported in the past—dropouts in Grades 9–11 are now considered in the calculation. Second, it relies on the most recent data, which are the most accurate. Third, it relieves districts from carrying students in their data systems when students are no longer enrolled, and it does not require access or changes to student records from previous years. Fourth, the number of students served in the cohort does not need to be known because the calculation uses only rates. Thus, knowing the number of students starting Grade 9 and the number of students who transfer in and add to the cohort is not required, and no adjustments need to be made to account for changes in enrollment over time.¹² Finally, it relies on fewer data and codes, so it is less susceptible to error and is easier for schools and districts to compute the graduation rate.

The specific formulas used to calculate the rates are as follows:

$$\text{Dropout Rate} = \frac{\text{number of students with a dropout, unknown, GED completer code}}{\text{total number of students served (minus transfers out)}}$$

$$\text{Cohort Graduation Rate} = 100 * (1 - \text{grade 9 dropout rate}) * (1 - \text{grade 10 dropout rate}) * (1 - \text{grade 11 dropout rate}) * (1 - \text{grade 12 dropout rate} - \text{grade 12 continuing rate})$$

In other words, each cohort begins with 100 percent, then is reduced by the level of dropouts in each grade over time. Students who are still enrolled at the end of Grade 12 (continuing Grade 12

¹¹ Results posted on the OSPI Report Card for 2001-02 reflect the new methodology and are comparable to the results reported for 2002-03. However, the on-time graduation rates shown for the Class of 2002 in the June 2003 OSPI report use the previous methodology and are not considered accurate.

¹² Some methodologies require Census data to adjust for changes in enrollment over time. However, these data are not available at the school level and are quickly outdated at the district level.

students) are then factored into the formula, leaving the remaining students as those who graduated on time. For example, if 10 percent of the Grade 9 students dropped out, the cohort begins Grade 10 with 90 percent of the cohort. If another 10 percent of the cohort drops out in Grade 10, the cohort begins Grade 11 with 81 students (10% of 90 is 9). This process continues until the remaining students are those that graduated at the end of Grade 12. This becomes the cohort graduation rate.

The graduation results reported in this document should be considered estimates. OSPI made its best efforts to gather the most accurate information possible in compiling this report. However, in addition to the possible inaccuracies based on changes in data collection requirements that necessitated making assumptions about the dropout and graduation rates for previous years, some districts have found errors in the information provided for some of their students. Rates that are extremely high or low may also reflect inaccurate reporting. Nevertheless, this year's results are the most accurate provided to date because of the additional quality controls that were put in place at the state level. As more scrutiny is given to the rates and greater care is given to coding students' enrollment status, the results published in the future will become more accurate. Moreover, when the state has a fully-functioning student identification system that can track students as they move around the state, the number of students who are considered dropouts because their location is unknown will decline.

Contents of This Report

Chapter 2 provides statewide dropout statistics by grade, student population, and for the cohort of students in the Class of 2003. Chapter 3 provides statewide graduation and completion statistics for the Class of 2003, including estimated cohort graduation rates for the nine student populations that are held accountable under NCLB. This chapter also provides AYP results, i.e., those schools and districts that met the 66 percent threshold required to make AYP.

The appendixes contain detailed sets of data for districts and schools and by county.

- Appendix A provides three sets of **annual** dropout statistics for districts and schools—all grades combined, for each grade, and by race/ethnic group.
- Appendix B provides various sets of data related to the **cohort** graduation rates for districts and schools and the data used to compute those rates. Districts are also ranked in terms of their cohort graduation rate.
- Appendix C provides county-level statistics.
- Appendix D provides a copy of Form P-210 that districts used to report their student data to OSPI.

A final word of caution: Districts that make a strong effort to identify students who have dropped out and help them to return to the school system may incur lower on-time graduation rates than they would otherwise. Often these students may re-enroll in school, only to be considered dropouts later because they complete their education with a GED certificate. They may also drop out again or take longer than four years to graduate. Hence, lower graduation rates are not always an indication that a district is not making good efforts toward keeping students in school. Closely examining the kinds of individual schools that exist in a district may reveal the existence of specialized programs that are set up specifically to help these at-risk students.

CHAPTER 2

DROPOUT STATISTICS

Annual Dropout Rates by Grade

For Grades 9–12 statewide, a total of 21,390 students dropped out of school during the 2002–03 school year. This represents an **annual dropout rate of 6.7 percent** based on all students enrolled during the year. This rate is one percentage point less than the dropout rate in 2001–02 (7.7%). Table 1 and Figure 1 provide data for the 2002–03 school year for each grade. They show a higher dropout rate in Grades 11 and 12, with the highest percentage of students dropping out of school in Grade 12. Nearly 11 percent of all students transferred from one school to another; with students transferring most often in Grade 9 and less often as they progress through the high school grades.

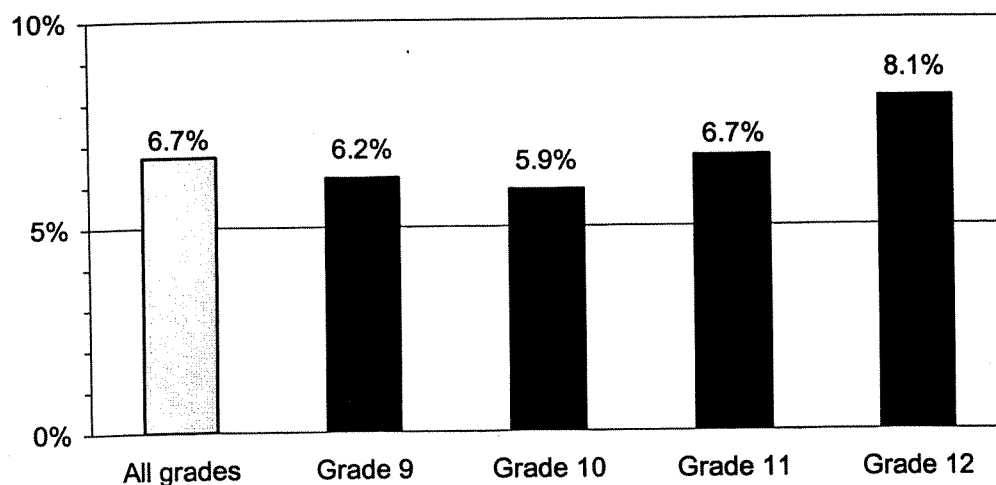
Table 1: State Summary for Grades 9–12 (School Year 2002–2003)

Grade	Total students served	Transferred out*	Transfer rate	Enrollment minus transfers	Dropped out**	Annual dropout rate
All grades	358,419	38,416	10.7%	320,003	21,390	6.7%
Grade 9	99,807	13,080	13.1%	86,727	5,355	6.2%
Grade 10	90,797	10,338	11.4%	80,459	4,737	5.9%
Grade 11	86,074	9,010	10.5%	77,064	5,193	6.7%
Grade 12	81,741	5,988	7.3%	75,753	6,105	8.1%

* This category of students are removed from all dropout and graduation calculations.

** Includes students who have an unknown location and those leaving to take the GED exam.

Figure 1: Annual Dropout Rates by Grade (School Year 2002–2003)



Dropout Rates by Student Group

The dropout rate differs by racial/ethnic and other student groups. Table 2 provides information for these groups. Figure 2 illustrates the results by gender and racial/ethnic group.

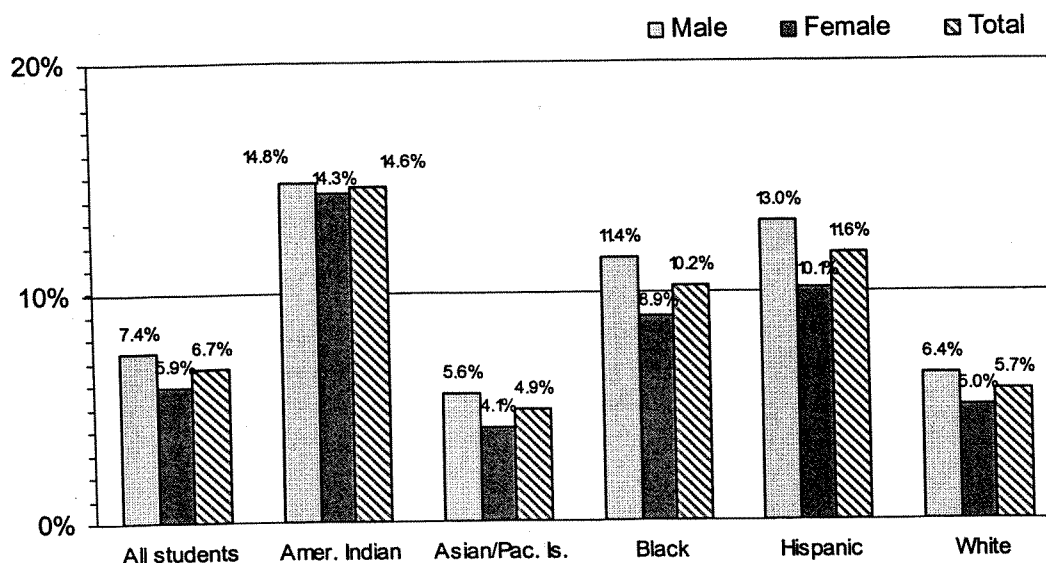
- Asian/Pacific Islander students had the lowest annual dropout rate (4.9%) while American Indian students had the highest annual dropout rate (14.6%).
- Black and Hispanic students and those with limited English proficiency had annual dropout rates above 10 percent.
- Males dropped out at a higher rate (7.4%) than females (5.9%). This pattern was true for every racial/ethnic group. The disparity between males and females was smallest among American Indian students (American Indian females have a very high dropout rate).
- Transfer rates show similar patterns—they are highest among Blacks and American Indians, lowest for Asian/Pacific Islanders, and higher for males than females.

Table 2: State Summary for Grades 9–12 (School Year 2002–2003)

Race/Ethnicity	Total students served	Transferred out*	Transfer rate	Enrollment minus transfers	Dropped out	Confirmed dropouts	Location unknown	Left to take GED	Annual dropout rate
Amer. Indian	10,505	1,922	18.3%	8,583	1,250	658	501	91	14.6%
Asian/Pacific Is.	27,955	2,552	9.1%	25,403	1,238	499	679	60	4.9%
Black	20,385	3,795	18.6%	16,590	1,698	761	860	77	10.2%
Hispanic	34,031	4,471	13.1%	29,560	3,442	1,582	1,724	136	11.6%
White	265,543	25,676	9.7%	239,867	13,762	6,213	6,244	1,305	5.7%
Other Groups									
Special education	35,793	4,583	12.8%	31,210	2,233	1,021	1,212	90	7.2%
Limited English	14,990	2,001	13.3%	12,989	1,329	563	742	24	10.2%
Low Income	67,316	8,604	12.8%	58,712	4,511	1,955	2,298	258	7.7%
Female	173,537	18,219	10.5%	155,318	9,130	4,028	4,441	661	5.9%
Male	184,882	20,197	10.9%	164,685	12,260	5,685	5,567	1,008	7.4%
All Students	358,419	38,416	10.7%	320,003	21,390	9,713	10,008	1,669	6.7%

* Students who transfer to another school are removed from all dropout and graduation calculations.

Figure 2: Annual Dropout Rates by Gender and Race/Ethnicity, Grades 9–12 (School Year 2002–2003)



Students in the different race/ethnic groups drop out of school at different rates in the various grades. Table 3 and Figures 3 and 4 show the annual dropout rate for various student groups in the different grades. All groups have the largest dropout rate in Grade 12. The highest rate was among American Indians students in Grade 12 — about one in six (16%) dropped out during their last year in school.

Since students drop out of school at different stages of their school experience, the combined effect of these dropouts over time can be quite substantial. The dropout rate for the cohort of students in the Class of 2003 can be calculated using the same methodology described in Chapter 1, except students who are still enrolled in school at the end of Grade 12 are not included in the calculation. The cumulative dropout rates for the Class of 2003 cohort and the data used to compute those rates are shown in Table 3. (Students who transferred out are excluded from all calculations.)

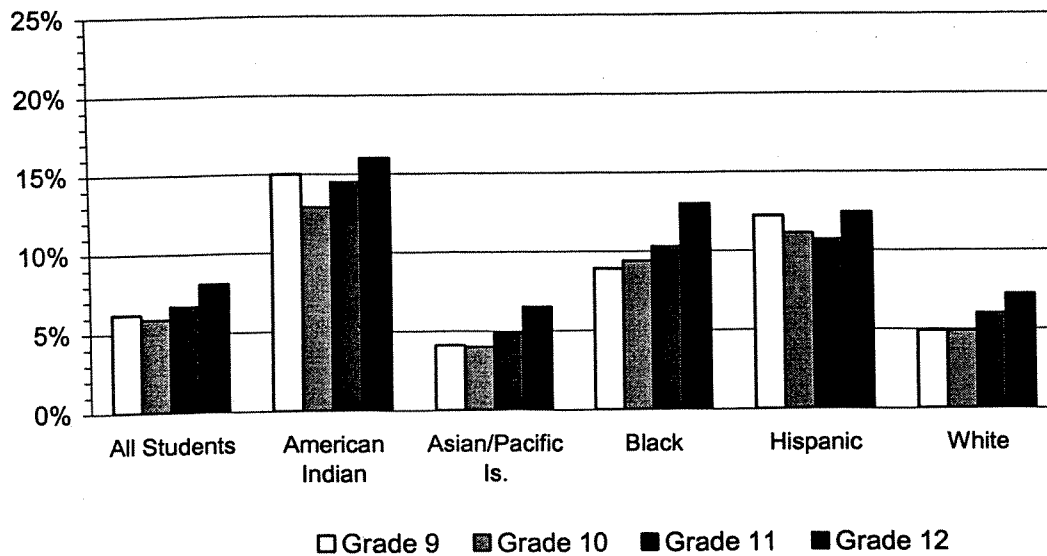
Based on the data provided by districts, we estimate that 24.3 percent of the Class of 2003 cohort dropped out of school (see Table 3). This is 12 percent less than the cumulative dropout rate that occurred the previous year (27.7%). Figure 5 shows the level of decline in the dropout rate from the previous year.

- Asian/Pacific Islanders had the lowest cohort dropout rate (18.1%) while American Indian students had the highest cumulative dropout rate (46.9%).
- Males dropped out at a higher rate (26.8%) than females (21.6%).
- Blacks made the largest reduction in the dropout rate from the previous year's cohort (from 53.5% to 35.5%), although the size of this change may be due in part to improved data quality.

**Table 3: Annual and Cohort Dropout Rates by Grade
for Student Groups (School Year 2002–2003)**

Student Group	Grade 9 dropout rate	Grade 10 dropout rate	Grade 11 dropout rate	Grade 12 dropout rate	Estimated cohort dropout rate
All Students	6.2%	5.9%	6.7%	8.1%	24.3%
Amer. Indian	15.0%	12.9%	14.5%	16.0%	46.9%
Asian/Pacific Is.	4.1%	4.0%	4.9%	6.5%	18.1%
Black	8.9%	9.4%	10.3%	13.0%	35.5%
Hispanic	12.2%	11.1%	10.7%	12.4%	39.0%
White	4.9%	4.9%	6.0%	7.2%	21.2%
Special Education	5.6%	7.0%	7.7%	9.0%	26.2%
Limited English	10.2%	10.3%	9.9%	10.5%	35.1%
Low Income	6.9%	6.8%	8.1%	9.8%	28.1%
Female	5.8%	5.2%	5.9%	6.7%	21.6%
Male	6.5%	6.5%	7.6%	9.4%	26.8%

**Figure 3: Annual Dropout Rates by Grade and Race/Ethnicity
(School Year 2002–2003)**



**Figure 4: Annual Dropout Rates by Grade, Program Type, and Gender
(School Year 2002–2003)**

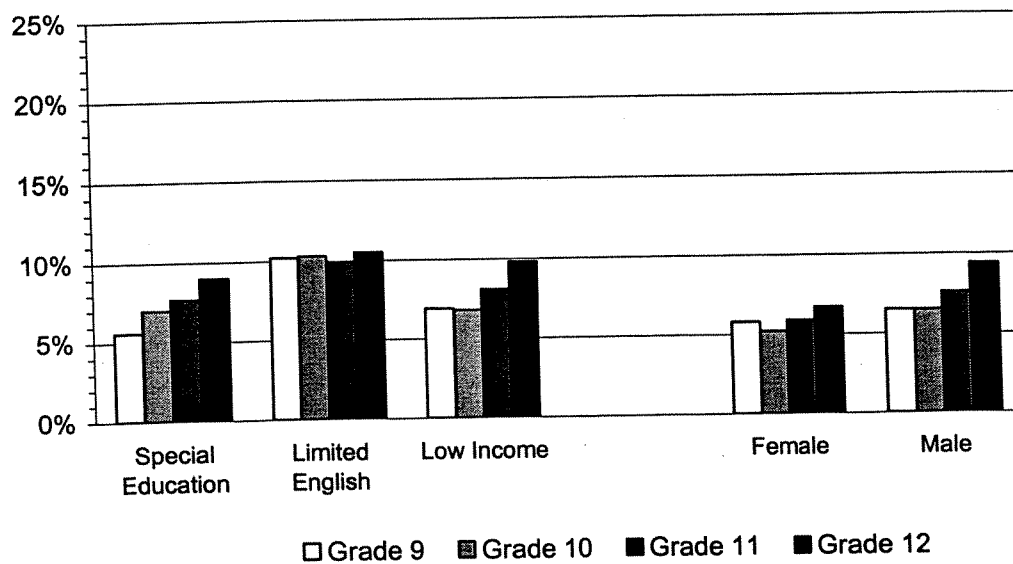
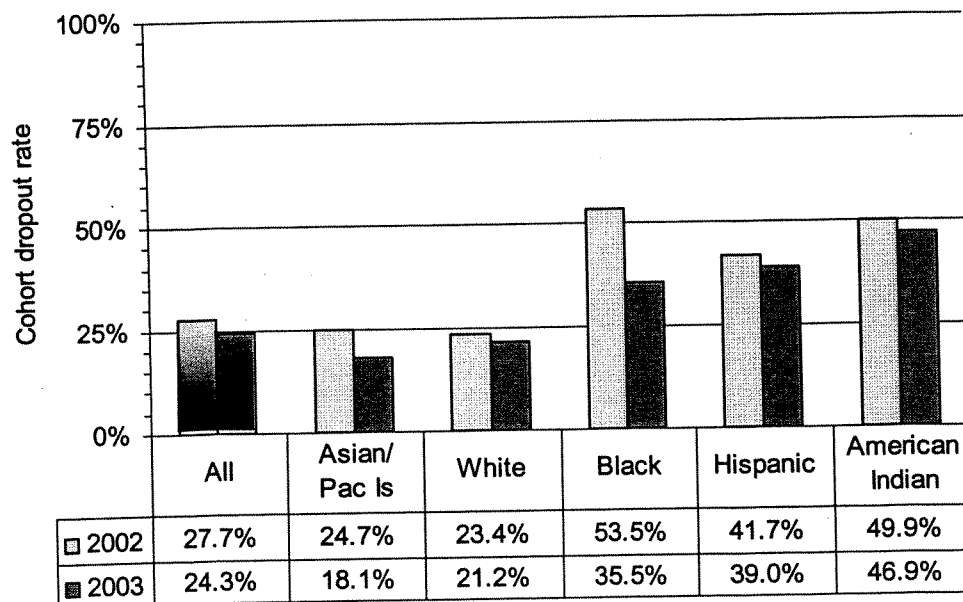


Figure 5: Change in Cohort Dropout Rates



Reasons for Dropping Out

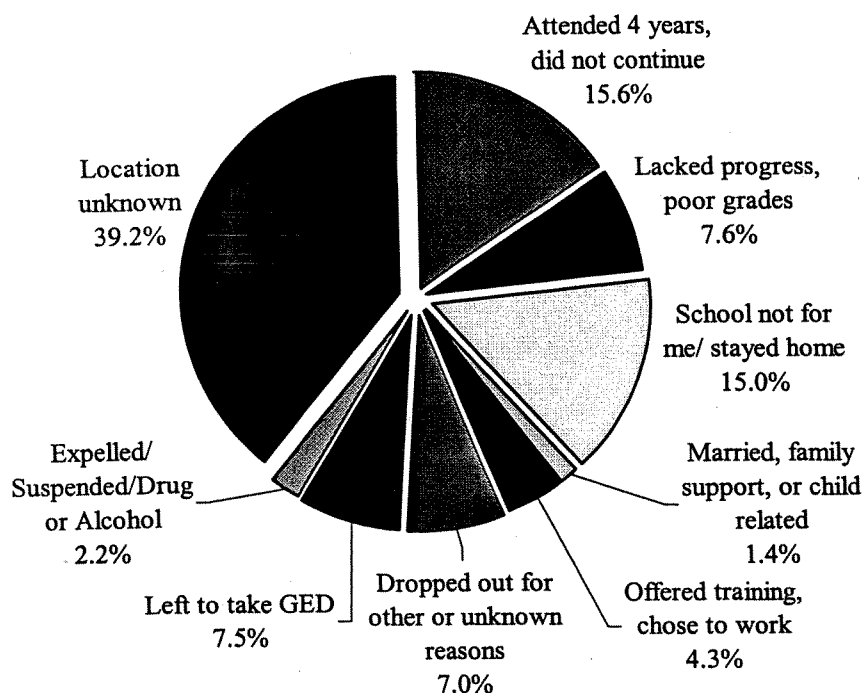
Students drop out for various reasons (see Table 4 and Figure 6). Nearly half of all dropouts in Grades 9–12 were students who had an unknown location and must be considered dropouts. Of the 6,105 students who dropped out of Grade 12, nearly 40 percent had an unknown location and nearly one quarter dropped out because they had not made or were not making sufficient academic progress in school (this includes nearly 16 percent who dropped out even though they had attended high school for four years). Relatively few students (less than 8%) who were considered dropouts may have actually completed their education by passing the GED exam.

The dropout rate could be reduced dramatically by taking steps to (1) locate students whose whereabouts are unknown and confirm they are a transfer, and (2) identify and provide extra help to students who are not on-track to have enough credits to graduate in the expected timeframe. When the state fully implements its Core Student Record System that can track student movements within the state, the high level of students with an unknown location probably will drop dramatically.

Table 4: Reasons Given for Dropping Out, School Year 2002–03

Grade	Attended school 4 years, did not continue	Lacked progress/poor grades	School not for me/stayed home	Married, family support, or child related	Offered training, chose to work	Dropped out for other or unknown reasons	Left to take GED	Expelled/suspended/drugs or alcohol	Location unknown	Total
All grades	1,248	1,282	3,556	265	873	1,622	1,669	867	10,008	21,390
<i>Percent (all grades)</i>	5.8%	6.0%	16.6%	1.2%	4.1%	7.6%	7.8%	4.1%	46.8%	
Grade 9	38	252	1,012	51	145	401	259	309	2,888	5,355
Grade 10	75	240	780	53	214	361	411	229	2,374	4,737
Grade 11	182	323	851	74	249	432	540	192	2,350	5,193
Grade 12	953	467	913	87	265	428	459	137	2,396	6,105
<i>Percent of Grade 12</i>	15.6%	7.6%	15.0%	1.4%	4.3%	7.0%	7.5%	2.2%	39.2%	

**Figure 6: Reasons Grade 12 Dropouts Gave for Leaving School
(School Year 2002–2003)**



Appendix A provides the dropout statistics for districts and schools, and Appendix B shows how the dropout rates are used to compute cohort graduation rates. Appendix C provides dropout and graduation statistics for counties.

CHAPTER 3

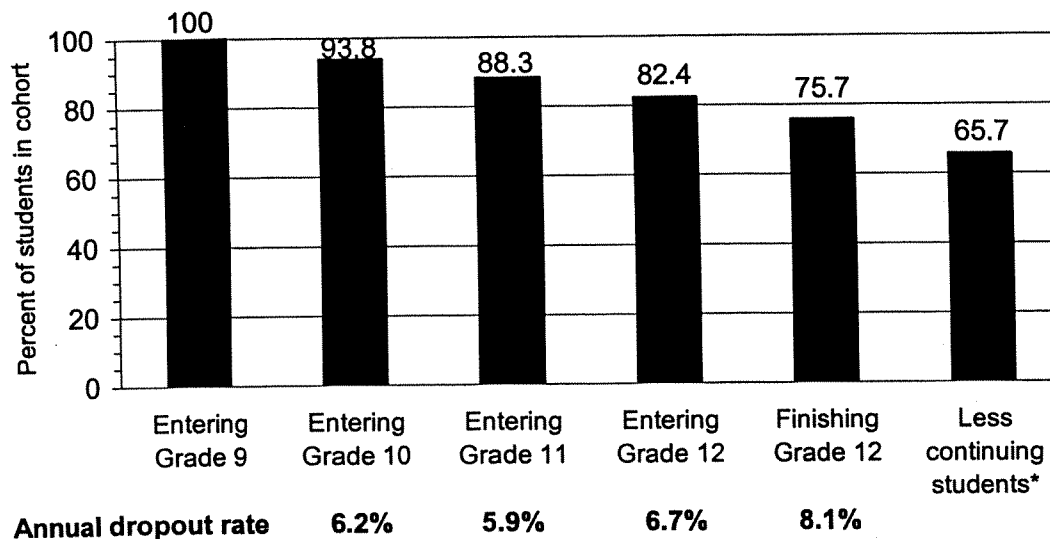
GRADUATION STATISTICS

Graduation Rates

The dropout rates shown in Chapter 2 are used to estimate the graduation rates for the cohort of students who were expected to graduate in 2003. This “Class of 2003” is the group of students who would have started Grade 9 in the fall of 1999 and were expected to graduate “on-time,” i.e., in a 4-year period.

Figure 7 shows how dropouts in previous years gradually reduced the number of enrolled students in the Class of 2003 over time.¹³ By the end of the 2002–03 school year, 24.3 percent of the students in the cohort had dropped out (75.7% still remained). The Grade 12 students who were still enrolled at the end of the year and did not graduate reduces the on-time graduation rate even further. As a result, we estimated that **65.7 percent of the students in the Class of 2003 graduated by the end of the 4-year period** with a regular diploma (this includes adult and IEP diplomas). The remaining 10 percent of the cohort was still continuing their education.¹⁴ Figure 8 summarizes the enrollment status of these students at the end of the 4-year period (the end of summer 2003).

Figure 7: Attrition in the Class of 2003

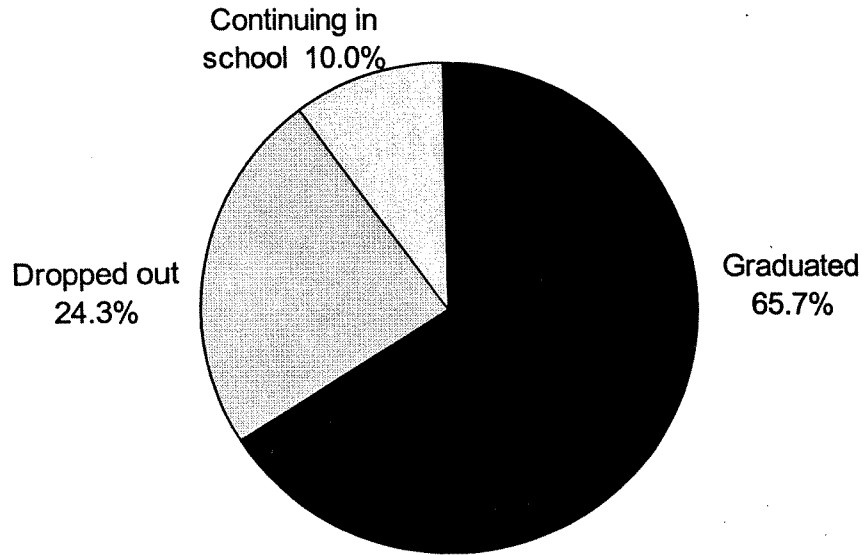


* A total of 12.1% of the Grade 12 students were still enrolled in school at the end of the year, which represents 10% of the cohort.

¹³ We assume the dropout rate that occurred in school year 2002-03 for each grade is the same that occurred for the cohort in earlier years. See Table 3 in the previous chapter for these rates.

¹⁴ We estimate that 3-4 percent of the cohort will eventually graduate with a regular or adult diploma by age 21. The vast majority of the “continuing” students that graduate late do so in their 5th year.

Figure 8: Class of 2003 Enrollment Status



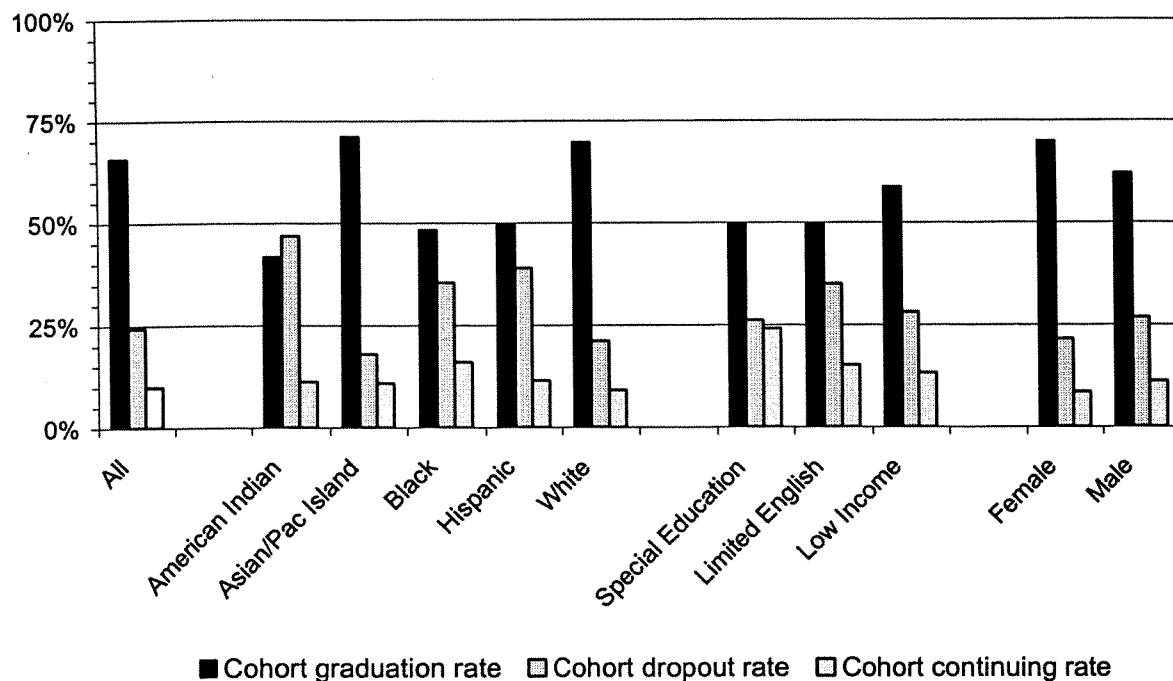
The cohort graduation rate varies significantly by racial/ethnic group and gender. The rates reflect the same type of disparity that is found on academic indicators (e.g., the “achievement gap” between the test scores of White and Asian students and those of other groups). Table 5 and Figure 9 provide detailed information on graduation, dropout, and continuing rates for the different student groups.

- Asian/Pacific Islander and White students had the highest on-time graduation rates (71.0% and 69.7% respectively).
- American Indian students had the lowest rate (41.8%). About half of the Black and Hispanic students and those with disabilities or limited English ability graduated on time.
- Females graduated on time at a higher rate (69.8%) than males (61.9%).
- In general, the continuing rates were similar across groups. Special education students had a much higher continuing rate (24.1%), and Blacks and those with limited English ability also had much higher rates than the other groups.

Table 5: Class of 2003 Graduation Rates by Student Group

Race/Ethnicity	<i>Received high school diploma</i>	<i>Received adult /IEP diploma</i>	Total graduates	Cohort graduation rate	Cohort dropout rate	Cohort continuing Rate
All Students	60,171	354	60,525	65.7%	24.3%	10.0%
Amer. Indian	1,155	11	1,166	41.8%	46.9%	11.3%
Asian/Pacific Is.	5,163	20	5,183	71.0%	18.1%	10.9%
Black	2,375	21	2,396	48.3%	35.5%	16.2%
Hispanic	4,337	47	4,384	49.5%	39.0%	11.5%
White	47,141	255	47,396	69.7%	21.2%	9.1%
Other Groups						
Special education	3,987	101	4,088	49.7%	26.2%	24.1%
Limited English	1,803	18	1,821	49.7%	35.1%	15.2%
Low Income	7,953	62	8,015	58.6%	28.1%	13.3%
Female	30,878	151	31,029	69.8%	21.6%	8.6%
Male	29,293	203	29,496	61.9%	26.8%	11.3%

Figure 9: Class of 2003 Graduation, Dropout, and Continuing Rates by Student Group

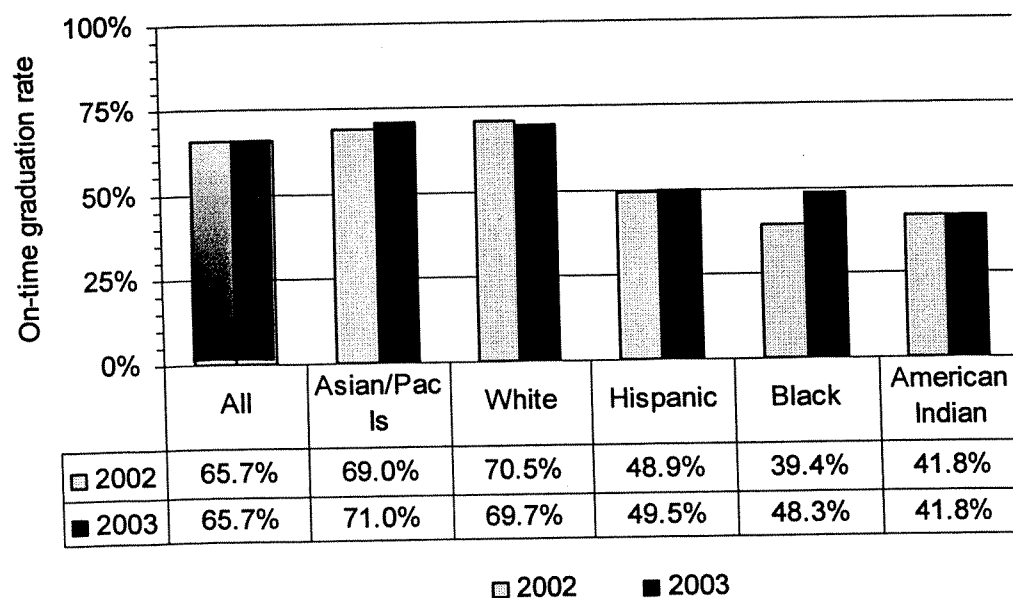


Graduation Trends

The cohort graduation rate stayed the same as the previous year (65.7%). A number of factors contributed to the lack of improvement at the state level. The rate for White students, who represent the largest proportion of students statewide, declined slightly. The rate improved slightly for Asian/Pacific Islanders and Hispanics, increased significantly for Blacks, and stayed the same for American Indians. There was also an increase in the percentage of students in the groups with lower rates, which had the effect of reducing the overall state rate.¹⁵ Finally, more students were continuing their education beyond the end of Grade 12 (10% compared to 6.6% the previous year).

Figure 10 shows how the rates have changed from the previous year for the racial/ethnic groups. The rates shown were computed using the same method so they are comparable to one another.

Figure 10: Two-Year Graduation Rates



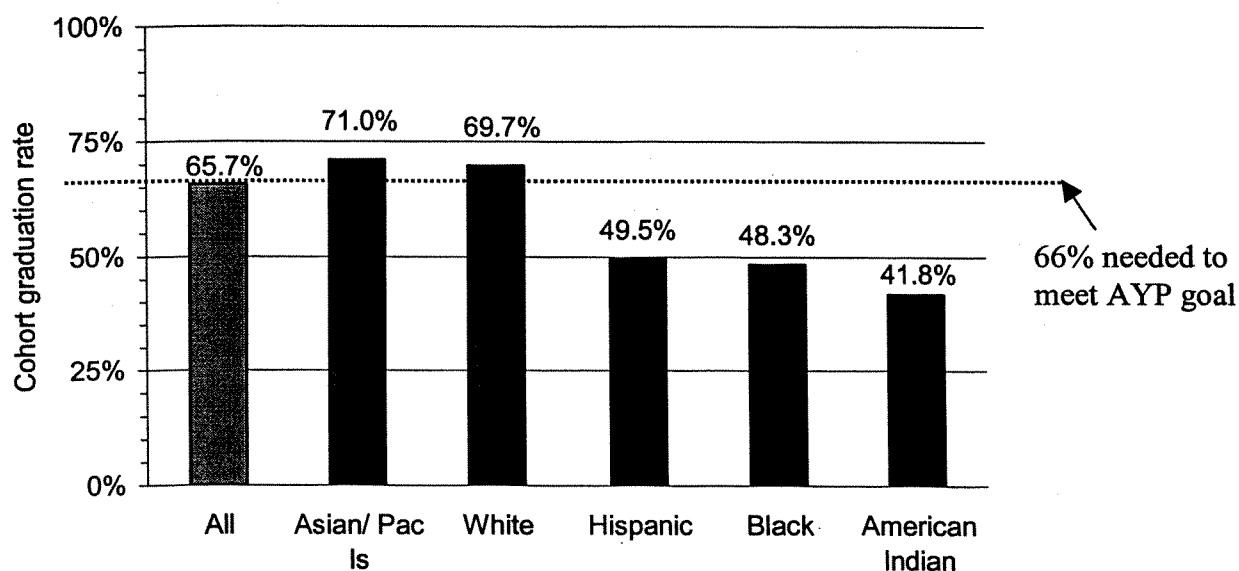
¹⁵ From 2002 and 2003 the total percentage of American Indian, Black, and Hispanic students in Grades 9–12 increased from 14.6% to 17.1%. These three groups have much lower graduation rates than the Asian/Pacific Island and White groups. The statistical phenomenon known as “Simpson’s Paradox” occurs when improvement is made in subgroups but there is an increase in the proportion of people who have results that are below average, resulting in little or no rate increase over time.

Adequate Yearly Progress (AYP) Results

Districts and high schools that have at least 30 students in the Class of 2003 must have a cohort graduation rate of at least 66 percent in order to meet the federal AYP goal.¹⁶ If their rate is below 66 percent, they can make AYP if the rate is at least one percentage point above the previous year.¹⁷ The state's Academic Achievement and Accountability (A+) Commission adopted the same goals for districts and high schools.

Figure 11 shows how the graduation rate of each racial/ethnic group compares to the 66 percent AYP and state goal. The American Indian, Black, and Hispanic groups missed the goal by a wide margin. (Table 5 provides the rates for all nine groups.)

Figure 11: Cohort Graduation Rates Compared to the Accountability Goal



District and School Results

A total of 241 *districts* had at least 30 students in the Class of 2003. Of these, 171 had a cohort graduation rate of at least 66 percent. The other 70 districts had a rate below 66 percent. The districts that had rates below the annual goal tended to be much larger than the districts that met the goal.¹⁸

Of the 495 *schools* that had at least 30 students in the Class of 2003, 277 (56%) had a cohort graduation rate that met the 66 percent goal, while the other 218 schools (44%) had rates that did

¹⁶ The size of the Class of 2003 was based on the total number of students enrolled in Grades 9–12 during the school year.

¹⁷ For more information about the state's plan to meet the federal NCLB requirements, see the OSPI Web site at <http://www.k12.wa.us/ESEA/default.asp>.

¹⁸ On average, districts with graduation rates of at least 66 percent had a Grades 9–12 enrollment of 1,020 students; districts that did not meet the 66 percent goal averaged 2,033 students in Grades 9–12.

not meet the goal.¹⁹ Schools that did not meet the target tended to be much smaller than those that met the goal. The schools that had the lowest graduation rates were usually alternative schools or those that had special programs to serve students with special needs.²⁰

Appendix B provides the cohort graduation rates for districts and schools, along with the dropout and continuing rates that are used to calculate the graduation rates. Analyses of the ranked district-level graduation rates in Appendix B4 can help identify districts that may have submitted incorrect data. Until the implementation of a statewide core student record system that can keep track of where students enroll over time, all statewide rates should be considered estimates.

Some districts did not report enrollment data for some buildings in time for inclusion in this report, and some juvenile detention centers and other correctional institutions did not report students on the P-210. In total, 31 buildings that served 1,449 students in Grades 9–12 in October 2002 did not report students on the P-210. These buildings are listed in Table 6 below. The exclusion of these students has very little impact on the totals shown in this report.

All of the data shown in the Appendix A and B are available in spreadsheets that can be downloaded from the OSPI Web site at <http://reportcard.ospi.k12.wa.us/DataDownload.aspx>. The data used to generate the statewide results are shown in Table 7 on the following page.

Table 6: Buildings Not Reporting Students on Form P-210

<u>District</u>	<u>School</u>	<u>Oct. 2002 Enrollment</u>	<u>District</u>	<u>School</u>	<u>Oct. 2002 Enrollment</u>
Anacortes	Secret Harbor	22	Kelso	Cowlitz County Detention	50
Bellingham	Visions (Seamar Youth)	10	Kennewick	Benton/Franklin Juv Justice	45
Cape Flattery	Clallam Bay Corrections	46	Kennewick	Kennewick Alternative Ed.	42
Central Kitsap	New Frontiers Jr. High	49	Kittitas	Parke Creek Treatment	15
Chehalis	Lewis County Detention	19	North Franklin	Camp Outlook	27
Deer Park	Deer Park Home Link	38	North Kitsap	JHOP Program	19
Edmonds	Special Ed. Contracted	14	Okanogan	Okanogan County Detention	14
Ephrata	Grant County Detention	19	Rochester	Maple Lane School	234
ESD 101	Martin Hall Detention	51	Shoreline	Career Education Options	263
ESD 101	Spokane Detention	47	Snohomish	Home School	24
ESD 101	Structural Alt. Confinemt.	16	Tahoma	Tahoma Special Services	36
ESD 114	Clallam County Detention	12	Tumwater	Thurston County Juv Dept.	46
ESD 114	Kitsap Co Detention	45	Vancouver	Clark County Detention	56
ESD 189	Whatcom Co Detention	26	Walla Walla	Walla Walla Co. Detention	10
Everett	Charles Denny Special	63	Yakima	Yakima County Detention	35
Everett	Snohomish County Jail	56			

¹⁹ Another 52 schools had less than 30 students in the cohort. In addition, some schools serve students in only a few high school grades (e.g., middle schools that serve Grades 7–9). The 495 schools served nearly 95 percent of all students in the Class of 2003.

²⁰ Schools that met the 66 percent goal had an average enrollment of 814, while those that did not meet the goal had an average enrollment of 352.

Table 7: Detailed Statewide Results, School Year 2002-03

Group	Net students served in grade*				Number of dropouts in grade**				Dropout rate in grade				Continuing***		Percent in cohort in school			Cohort Grade
	9	10	11	12	9	10	11	12	9	10	11	12	Number	Rate	Start of Grade 10	Start of Grade 11	End of Grade 12	
All	86,727	80,459	77,064	75,753	5,355	4,737	5,193	6,105	6.2%	5.9%	6.7%	8.1%	9,176	12.1%	93.8%	88.3%	75.7%	65.7
American Indian	2,702	2,205	1,919	1,757	406	284	279	281	15.0%	12.9%	14.5%	16.0%	315	17.9%	85.0%	74.0%	53.1%	41.8
Asian/Pac Is	6,677	6,181	6,161	6,384	273	249	303	413	4.1%	4.0%	4.9%	6.5%	791	12.4%	95.9%	92.0%	81.9%	71.0
Black	4,878	4,283	3,766	3,663	433	403	387	475	8.9%	9.4%	10.3%	13.0%	797	21.8%	91.1%	82.5%	64.5%	48.3
Hispanic	9,363	7,636	6,394	6,167	1,144	848	684	766	12.2%	11.1%	10.7%	12.4%	1,023	16.6%	87.8%	78.0%	61.0%	49.5
White	63,107	60,154	58,824	57,782	3,099	2,953	3,540	4,170	4.9%	4.9%	6.0%	7.2%	6,250	10.8%	95.1%	90.4%	78.8%	69.7
Spec Education	9,521	7,972	7,076	6,641	535	555	548	595	5.6%	7.0%	7.7%	9.0%	1,971	29.7%	94.4%	87.8%	73.8%	49.7
Limited English	4,118	3,395	2,819	2,657	420	349	280	280	10.2%	10.3%	9.9%	10.5%	558	21.0%	89.8%	80.6%	64.9%	49.7
Low Income	19,209	15,390	13,215	10,898	1,324	1,048	1,072	1,067	6.9%	6.8%	8.1%	9.8%	1,820	16.7%	93.1%	86.8%	71.9%	58.6

* Students who transferred out are removed from this number. Students who transferred in are included in this number.

** Includes students who complete without a regular HS diploma (GED diploma) and those with an "unknown" status.

*** Grade 12 students still enrolled at the end of the school year.

APPENDIX A

Annual Dropout Statistics for Districts and Schools

This appendix provides annual dropout statistics for districts and schools for the 2002–03 school year. These statistics and rates are based on data collected from districts on Form P-210 (see Appendix D). Results from institutions and autonomous buildings (shown in *italics*) are not included in the district results.

There are three sets of data in this appendix:

- A1 Dropout Rates for All Grades Combined
- A2 Dropout Rates by Grade
- A3 Dropout Rates by Race/Ethnicity

APPENDIX B

Cohort Graduation Statistics for Districts and Schools

This appendix provides cohort graduation statistics for districts and schools for the 2002–03 school year. The data and rates shown in this appendix come from district reports submitted on Form P-210 (see Appendix D). Results from institutions and autonomous buildings (shown in *italics*) are not included in the district results.

There are four sets of data in this appendix:

- B1 Graduation Rates Based on Dropout and Continuing Rates
- B2 Graduation Rates for Nine Student Groups
- B3 Graduation, Dropout, and Continuing Rates by Race/Ethnicity
- B4 District Graduation Rates (Ranked)

APPENDIX C

County Graduation and Dropout Statistics

This appendix provides graduation and dropout data for each of the 39 counties of the state. There are five sets of data in this appendix:

- C1 Dropout Rates for All Grades Combined
- C2 Dropout Rates by Grade
- C3 Dropout Rates for Grades 9–12 by Race/Ethnicity
- C4 Graduation Rates Based on Dropout and Completion Rates
- C5 Graduation Rates for Nine Student Groups

APPENDIX D

Form P-210

Tab 7

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 99**

**CARL D. PERKINS VOCATIONAL AND TECHNICAL EDUCATION ACT
FUND UTILIZATION REVIEW**

At the June 30, 2004 meeting, the Board heard presentations on the Carl D. Perkins Vocational and Technical Education Act. Workforce Training and Education Coordinating Board staff provided an overview of the Act, including **required** and **permissive** uses of the funds, allocation methodologies, and formula distribution activities. The Board learned how the agency uses its administration and state leadership funds. Staff from the Office of Superintendent of Public Instruction and the State Board for Community and Technical Colleges provided information on how their respective systems use these federal career and technical education funds. The materials presented, including the funding matrix for PY 2004, are contained in Attachment A. The Board then discussed the relationship of this funding resource to the state's workforce development strategic plan, *High Skills, High Wages: Washington's Strategic Plan For Workforce Development*. The Chair directed the staff to work together and prepare materials for further discussion and review at the October Board meeting with the goal of ensuring that these funds are used to meet the goals, objectives, and strategies of the state's strategic plan.

Since that time, staff from the agencies met and the attached materials are the result of that work. They consist of a description of the background and process involved, responses to the list of questions contained in the June 30, 2004 Board meeting packet, and a matrix that displays the alignment of applicable *High Skills, High Wages 2004* strategies and the required and permissive uses of the Perkins Act. The matrix has the added value of including Perkins Act performance measures that also align with *High Skills, High Wages 2004*. This latter addition reflects a dimension tied to accountability requirements as identified in the Program Improvement Plan recently approved by the U.S. Department of Education, Office of Vocational and Adult Education.

This presentation and discussion will lay the groundwork for action in November.

Action Required: None. For informational purposes and discussion.

Carl D. Perkins Vocational and Technical Education Act Fund Utilization Discussion and Review

Background

Each year the Board acts on the distribution of Carl D. Perkins Vocational and Technical Education Act funds. The major portion of these funds (85 percent) is distributed to local school districts and community and technical colleges. The local recipients must submit an application to the Office of Superintendent of Public Instruction (OSPI) and the State Board for Community and Technical Colleges (SBCTC) in order to receive funding. Local recipients identify and describe the uses of these funds in their applications, which are reviewed and approved by the state agencies. Since passage of the current Perkins Act in 1998, local districts and colleges have used these funds to meet their local needs while continuing to engage in improvement activities. In addition to the local distribution, the Workforce Board, OSPI, and SBCTC share the remaining portion (15 percent) for state leadership and administrative activities. The Perkins funds represent about 5 percent of the total share of career and technical and workforce education funding in the state.

Every two years, the Workforce Board and its partners craft the state's strategic plan *High Skills, High Wages: Washington's Strategic Plan For Workforce Development*. This plan contains goals, objectives, and strategies that are needed to move the workforce development system forward. Each strategy has an identified lead organization or multiple leads depending on the specific activity. The Annual Report to the Legislature provides information on the lead's progress to date.

The ability of the Workforce Board and its partners to succeed in delivering on the strategies in *High Skills, High Wages* requires investment of resources including staff and available funds. Our success to date is the result of this investment, whether it is dedicated staff from the Workforce Training and Education Coordinating Board (Workforce Board), its partner agencies, and business and labor, or the infusion of funding from local, state and federal resources.

The following narrative addresses the alignment of Perkins Act uses of funds and the strategies contained in *High Skills, High Wages 2004*.

Process

In March of 2004, the Workforce Board considered the proposed distribution of Perkins Act funding for the July 1, 2004, to June 30, 2005 program year and a proposed planning timetable for the coming year. This proposed timetable was to allow for sufficient discussion and understanding by the Board so that funding recommendations for the next year could be accomplished and shared with the respective systems in a timely manner. In May, the Board adopted the federal funds distribution matrix and advance timetable. Staff from the Workforce Board, OSPI, and SBCTC began planning presentations to the Board, including an orientation on the Perkins Act and a description of how the funds are used by the Workforce Board, and the delivery agencies for secondary and postsecondary career and technical and workforce education. That presentation occurred in June and the materials presented are contained in Attachment A.

Staff from the Workforce Board, OSPI, and SBCTC met and that work is captured here. The attached matrix, entitled "Connecting High Skills, High Wages & Perkins," reveals the key strategies from *High Skills, High Wages* that are supported by required and/or permissive Perkins activities. The matrix is further informed by aligning pertinent strategies that were identified to the U.S. Department of Education in the state's Program Improvement Plan to address deficiencies in Perkins performance measures.

Discussion Questions

We examined the questions in the June Board packet during the interagency staff review and placed them into three categories:

1. Relationship and degree of involvement between HSHW and Perkins.
2. Minimum and collaborative funding mandates.
3. Secondary and postsecondary distribution.

There were a number of questions around the relationship and degree of involvement between the strategic plan and the Perkins program. For the most part they have been answered as depicted in the attached matrix. In the staff discussion, the delivery agencies provided comments on how their respective systems contribute to the strategic plan. The discussion included an acknowledgment of the small yet significant investment that the Perkins Act provides to the state's career and technical and workforce education programs. Only about 5 percent of the total career and technical and workforce education investment is from Perkins. Often, Perkins funds are combined with state resources. Examples of the outcomes of investments tied to *High Skills, High Wages* strategies include the following.

For postsecondary:

The professional-technical AAS-T degree has been developed and 80 programs have been created in the last two years. These all include articulation agreements with four-year institutions. (HSHW Strategy 1.3.3)

In 2003-04, \$340,000 was allocated to colleges for best practices projects, which are available for replication to other colleges. A total of 44 projects were completed by 26 colleges. Also, 17 non-traditional employment and training projects were funded at \$84,509. (HSHW Strategy 1.3.7)

In 2003-04, two integrated basic skills pilot projects were funded for a total of \$105,933. (HSHW Strategy 3.2.7)

For secondary:

Perkins funds (\$180,000 of State Leadership and portions of the basic grant funding to all the districts) support the career and technical education program standards including the requirement that approved programs align with industry standards and lead to industry certification and/or postsecondary technical program preparation. (HSHW Strategies 1.1.3 and 3.1.1)

Approximately \$275,000 was invested in the Franklin Pierce School District *Navigation* model and development of the Community Page for OSPI's website. (HSHW Strategies 1.2.1 and 1.2.3)

Partnering in the national information technology pathway/career cluster work including innovative efforts with Microsoft, Macromedia, Adobe, Digipen, Certiport, Prosoft and others cost about \$200,000. (HSHW Strategy 1.3.1)

Local dropout prevention/recapture projects under the WIA-BEA partnership. (HSHW Strategy 3.1.2)

Of particular interest is the relationship between accountability requirements in Perkins and the strategies in *High Skills, High Wages*. We have identified the strategies that relate to program improvement for the federal measures:

Academic Attainment (HSHW Strategies 1.1.3, 3.1.1, and 3.1.2)

Skill Proficiencies (HSHW Strategies 1.1.3, 1.2.1, 1.3.7, and 3.2.5)

Completions (HSHW Strategies 1.3.1, 1.3.3, and 3.1.1)

Diplomas/Credentials (HSHW Strategies 3.1.1 and 3.1.2)

Non-Traditional Participation and Placement (HSHW Strategies 1.2.1 and 1.2.3).

In discussing minimum funding and mandated investments, we returned to the matrix to acknowledge that Perkins investments were indeed related to *High Skills, High Wages* strategies. The staff then probed further funding questions. Should we encourage greater investment in one particular strategy over another? Does this make sense knowing that current investments are predicated on local school districts' and colleges' identified needs and successes? Are we confident in determining whether one investment makes more sense than another? And were we convinced that certain Perkins investments furthered the state's achievement of its goals, objectives, and strategies to a greater or lesser degree? These questions proved difficult to answer. The staff concluded that the respective systems should continue to examine their results, emphasize improvements, and encourage movement among Perkins uses at the state and local level that benefit local needs while continuing to promote the state's achievement of its goal, objectives, and strategies. The staff also reviewed coordinated and collaborative initiatives that involve both systems. There was general acknowledgment that they were happening. Examples of collaborative efforts included: secondary program standards that align with postsecondary expectations, dual enrollment opportunities for career and technical education students, more sophisticated articulation agreements, and assisting student planning by identifying common descriptions for programs in catalogues. There are opportunities for other innovative activities and investments that can promote collaboration and should be explored in the future. One possibility is a joint review of local applications for a more collaborative approach by secondary and postsecondary institutions.

The final question on whether to review the current distribution between secondary (44 percent) and postsecondary (56 percent) was decided by the timing factor. With reauthorization of the Perkins program looming, it is the consensus of the staff that there be no revisiting of the funding split at this time. Everyone agreed that the opportunity to review this should coincide with the impending change in the law.

Conclusion

We started the discussion with the intent that there should be a relationship between the state's workforce development strategic plan, *High Skills, High Wages: Washington's Strategic Plan For Workforce Development* and the Carl D. Perkins Vocational and Technical Education Act program. The attached matrix displays this relationship and provides assurance that this small but significant funding source is strategically aligned with the strategies in *High Skills, High Wages 2004*. The secondary and postsecondary systems are committed to using Perkins and other resources to support the state's strategic plan. The staff agreed that the Board should receive periodic updates on the outcomes of Perkins investments. There may be additional questions and/or clarifications that Board members wish to entertain regarding the alignment of *High Skills, High Wages* and the Perkins Program.

Connecting High Skills, High Wages & Perkins

 = Required Perkins
  = Permissive Perkins
 ↑ = Perkins Improvement Plan

Goal 1

To close the gap between the need of employers for skilled workers and the supply of Washington residents prepared to meet that need.

Objective 1.1

Create private public partnerships to enable individuals to move up job and career ladders throughout their lives.

- 1.1.3 Develop competency-based education and training programs, and modular curricula and assessments that are linked to industry skill standards.



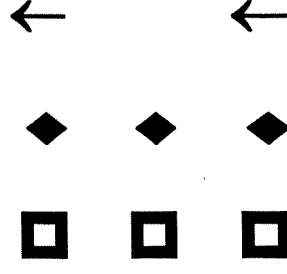
Objective 1.2

Increase the number of young people who understand and act on career opportunities available through career and technical education and training programs, including youth from target populations.

- 1.2.1 Develop individual career plans that are integrated with a range of school programs to ensure all youth are aware of the link between learning and employment, and their career options including high wage, high-demand occupations, and nontraditional occupations.

- 1.2.2 Expand partnerships with industries to market their career opportunities to youth and their parents.











- 1.2.3 Increase mentor and work-based learning opportunities for all students, and integrate these opportunities with students' individual career plans.



 = Required Perkins
  = Permissive Perkins
 ↑ = Perkins Improvement Plan

Objective 1.3

Increase the capacity of high schools community and technical colleges and apprenticeship programs to provide high quality workforce education and training programs.

1.3.1	Develop new programs and increase student enrollments in workforce training, especially in high-demand industry clusters such as health care and information technology.			↑
1.3.2	Partner with industries to provide facilities, faculty, and equipment in high wage, high-demand fields.			
1.3.3	Improve efficiency of student transitions by granting credit for prior learning, developing further statewide agreements for transfer and articulation, and increasing the availability of applied degrees.			↑
1.3.5	Enhance "employability skills" training in workforce development programs.			
1.3.6	Increase the number of individuals prepared to teach students for high wage, high-demand fields.			
1.3.7	Highlight and replicate best practices from around the state and nation in career and technical education.			↑

Goal 2

To enable workers to make smooth transitions so that they, and their employers, may fully benefit from the new, changing economy, by putting in place a coherent strategy for dislocated and incumbent worker training.

Objective 2.3

Return unemployed workers to suitable work in as short a time as possible.

2.3.2 Provide retraining in high-demand fields.








 = Required Perkins
  = Permissive Perkins
 ↑ = Perkins Improvement Plan

Goal 3

To assist disadvantaged youth, persons with disabilities, new labor market entrants, recent immigrants, and other low wage workers to move up the job ladder during their lifetimes by developing a wage progression strategy for low-income workers. Specific progress will be made in improving operating agencies and reducing the earnings gap facing people of color, people with disabilities, and women.







Objective 3.1

Reduce dropouts and increase high school graduations.

3.1.1	Ensure all youth achieve the necessary core skills as established by industries in their chosen career pathway, including the achievement of the high school diploma or entrance into a postsecondary education or training program.			↑
3.1.2	Develop local community-school partnerships that plan and implement dropout prevention and retrieval initiatives for "at-risk" youth, including effective after school hours and summer programs.			↑

Objective 3.2

Assist unemployed individuals to gain and retain employment, and assist low income individuals to achieve wage progression.

3.2.4	Provide training programs at times and locations that are accessible to working people, and provide support services to assist in overcoming barriers to training.			↑
3.2.5	Increase basic skills and English-as-a-Second Language instruction that is integrated with occupational skills training.			
3.2.7	Provide financial assistance that enables working adults and ESL, Adult Basic Skills students to take advantage of education and training opportunities.			

 = Required Perkins  = Permissive Perkins  = Perkins Improvement Plan

Goal 4

Integrate workforce development programs to improve customer service.

Objective 4.2

Make workforce development services from multiple providers a straightforward and effective experience for job seekers and youth.

- 4.2.5** Improve communication and collaboration among workforce development partners.



= Required Perkins

- ▣ Strengthen the academic and vocational and technical components of programs through integration of academics with vocational and technical education programs through a coherent sequence of courses to ensure learning in the core academic and vocational technical subjects.
- ▣ Provide students with strong experience in and understanding of all aspects of an industry.
- ▣ Develop, improve, or expand the use of technology in vocational and technical education.
- ▣ Training of vocational and technical education personnel to use state-of-the-art technology, which may include distance learning.
- ▣ Provide vocational and technical education students with the academic and vocational and technical skills that lead to entry into the high technology and telecommunications field.
- ▣ Encourage schools to work with high technology industries to offer voluntary internships and mentoring programs.
- ▣ Provide in-service and pre-service training in state of the art-vocational and technical education programs and techniques, in effective teaching skills based on research, and in effective practices to improve parental and community involvement.
- ▣ Provide professional development programs to teachers of vocational and technical education in public schools and other public school personnel who are involved in the direct delivery of educational services to vocational and technical education students, to ensure that such teachers and personnel stay current with all aspects of an industry.
- ▣ Provide internships programs that provide business experience to teachers.
- ▣ Provide programs designed to train teachers specifically in the use and application of technology.
- ▣ Develop and implement evaluations of the vocational and technical education programs carried out with funds under this title, including an assessment of the needs of special populations are being met.
- ▣ Initiate, improve, expand, and modernize quality vocational and technical education programs.
- ▣ Provide services and activities that are of sufficient size, scope, and quality to be effective.
- ▣ Link secondary vocational and technical education and postsecondary vocational and technical education, including implementing Tech Prep programs.

◆ = Permissive Perkins

- ◆ Funds may be used to involve parents, businesses, and labor organizations as appropriate, in the design, implementation, and evaluation of vocational and technical education programs authorized under this title, including establishing effective programs and procedures to enable informed and effective participation in such programs.
- ◆ May be used to provide career guidance and academic counseling for students participating in vocational and technical education programs.
- ◆ May be used to provide work-related experience, such as internships, cooperative education, school-based enterprises, entrepreneurship, and job shadowing that are related to vocational and technical education programs.
- ◆ May be used to provide programs for special populations.
- ◆ May be used for local education and business partnerships.
- ◆ May be used to assist vocational and technical student organizations.
- ◆ May be used for mentoring and support services.
- ◆ May be used for leasing, purchasing, upgrading, or adapting equipment, including instructional aides.
- ◆ May be used for teacher preparation programs that assist individuals who are interested in becoming vocational and technical education instructors, including individuals with experience in business and industry.
- ◆ May be used for improving or developing new vocational and technical education courses.
- ◆ May be used to provide support for family and consumer science programs.
- ◆ May be used to provide vocational and technical education programs for adults and school dropouts to complete their secondary school education.
- ◆ May be used to provide assistance to students who have participated in services and activities under this title in finding an appropriate job and continuing their educational.
- ◆ May be used to support other vocational and technical education activities that are consistent with the purpose of this Act.

↑ = Perkins Improvement Plan

- ↑ **Academic Attainment** – Number of vocational completers who have attained a high school diploma (secondary). Number of vocational concentrators who have attained formal awards (a degree, certificate, apprenticeship, or an industry certification) or completed at least 45 vocational credits with a 2.0 GPA (Postsecondary).
- ↑ **Skill Proficiencies** – Number of vocational completers who have attained a high school diploma (secondary). Number of vocational concentrators who have attained formal awards (a degree, certificate, apprenticeship, or an industry certification) or completed at least 45 vocational credits with a 2.0 GPA (Postsecondary).
- ↑ **Completions** – Number of vocational completers who have attained a high school diploma (secondary). Number of vocational concentrators who have attained formal awards (a degree, certificate, apprenticeship, or an industry certification) or completed at least 45 vocational credits with a 2.0 GPA (Postsecondary).
- ↑ **Diploma/Credentials** – Number of vocational completers who have attained a high school diploma (secondary).
- ↑ **Non-traditional Participation** – Number of students in under-represented gender groups who enrolled in a non-traditional program (Secondary and Postsecondary).
- ↑ **Non-traditional Completion** – Number of vocational completers in underrepresented gender groups who completed a non-traditional program (Secondary and Postsecondary).

Carl D. Perkins Vocational and Technical Education Act of 1998 Key Provisions

The Carl D. Perkins Vocational and Technical Education Act was enacted on October 31, 1998. It amends the previous Perkins Act and is often referred to as "Perkins III."

Purpose

"The purpose of this Act is to develop more fully the academic, vocational, and technical skills of secondary students and postsecondary students who elect to enroll in vocational and technical education programs, by:

1. Building on the efforts of States and localities to develop challenging academic standards.
2. Promoting the development of services and activities that integrate academic, vocational, and technical instruction, and that link secondary and postsecondary education for participating vocational and technical education students.
3. Increase State and local flexibility in providing services and activities designed to develop, implement, and improve vocational and technical education, including tech-prep education.
4. Disseminating national research and providing professional development and technical assistance, that will improve vocational and technical education programs, services, and activities."

Allotment

Distribution to the states is based on a formula that includes the population cohorts of 15-19 year olds; 20-24 year olds; and 25-65 year olds. It is further impacted by per capita income when compared to other states.

Within the state, the following distribution occurs:

Basic Grant:

Eighty-five percent to local recipients (school districts and community and technical colleges) and can include a 10 percent reserve for rural areas, areas with high CTE numbers and percentages, and negatively impacted areas.

State Leadership:

Ten percent for state leadership that includes no more than 1 percent for correctional offenders and between \$60,000 and \$150,000 for non-traditional activities.

State Administration:

Five percent for state administration.

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State Administration:

Five percent for state administration.

Accountability

Each state must identify performance measures in four areas:

1. Student attainment of challenging State established academic, and vocational and technical, skill proficiencies.
2. Students attainment of a secondary school diploma or its recognized equivalent, a proficiency credential in conjunction with a secondary school diploma, or a postsecondary degree or credential.
3. Placement in, retention in, and completion of, postsecondary education or advanced training, placement in military service, or placement or retention in employment.
4. Student participation in, and completion of, vocational and technical education programs that lead to nontraditional training and employment.

These measures may be expressed in a percentage or numerical form, to be objective, quantifiable, and measurable and result in continuous improvement. Additional performance measures may be identified by the state. Levels of performance are negotiated with the Department of Education.

State Administration

State Administration includes:

1. Coordination of the development, submission, and implementation of the State plan, and the evaluation of the program, services, and activities assisted under this title, including preparation for nontraditional training and employment.
2. Consultation with the Governor and appropriate agencies, groups, and individuals including parents, students, teachers, representatives of businesses, labor organizations, eligible recipients, State and local officials, and local program administrators, involved in the planning, administration, evaluation, and coordination of programs funded under this title.
3. Convening and meeting as an eligible agency (consistent with State law and procedures for the conduct of such meetings) at such time as the eligible agency determines necessary to carry out the eligible agency's responsibilities under this title, but not less than four times annually.
4. The adoption of such procedures as the eligible agency considers necessary to:
 - a.. Implement State level coordination with the activities undertaken by the State boards under section 111 of Public Law 105-220.
 - b. Make available to the service delivery system under section 121 of Public Law 105-220 within the State a listing of all school dropout, postsecondary, and adult programs assisted under this title.

State Plan

The state plan shall include information that:

1. Describes the vocational and technical education activities to be assisted that are designed to meet or exceed the State adjusted levels of performance, including a description of:
 - a. The secondary and postsecondary vocational and technical education programs to be carried out, including programs that will be carried out by the eligible agency to develop, improve, and expand access to quality, state-of-the-art technology in vocational and technical education programs.
 - b. The criteria that will be used by the eligible agency in approving applications by eligible recipients for funds under this title.

- c. How such programs will prepare vocational and technical education students for opportunities in postsecondary education or entry into high skill, high wage jobs in current and emerging occupations.
 - d. How funds will be used to improve or develop new vocational and technical education courses.
2. Describes how comprehensive professional development (including initial teacher preparation) for vocational and technical, academic, guidance, and administrative personnel will be provided.
3. Describes how the eligible agency will actively involve parents, teachers, local businesses (including small-and medium-sized businesses), and labor organizations in the planning, development, implementation, and evaluation of such vocational and technical education programs,
4. Describes how funds received by the eligible agency through the allotment made under section 111 will be allocated:
 - a. Among secondary school vocational and technical education, or postsecondary and adult vocational and technical education, or both, including the rationale for such allocation.
 - b. Among any consortia that will be formed among secondary schools and eligible institutions, and how funds will be allocated among the members of the consortia, including the rationale for such allocations.
5. Describes how eligible agency will:
 - a. Improve the academic and technical skills of students participating in vocational and technical education programs, including strengthening the academic, and vocational and technical, components of vocational and technical education programs through the integration of academics with vocational and technical education to ensure learning in the core academic, and vocation and technical, subject, and provide students with strong experience in, and understanding of, all aspects of an industry.
 - b. Ensure that students who participate in such vocational and technical education programs are taught to the same challenging academic proficiencies as are taught to all other students.
6. Describes how the eligible agency will annually evaluate the effectiveness of such vocational and technical education programs, and Describes, to the extent practicable, how the eligible agency is coordinating such programs to ensure non-duplication with other existing Federal programs.
7. Describes the eligible agency's program strategies for special populations.
8. Describes how individuals who are members of the special populations:
 - a. Will be provided with equal access to activities assisted under this title.
 - b. Will not be discriminated against on the basis of their status as members of the special populations.
 - c. Will be provided with programs designed to enable the special populations to meet or exceed State adjusted levels of performance, and prepare special populations for further learning and for high skill, high wage careers.
9. Describes what steps the eligible agency shall take to involve representatives of eligible recipients in the development of the State adjusted levels of performance.
10. Provide assurances that the eligible agency will comply with the requirements of this title and the provisions of the State plan, including the provision of a financial audit of funds received under this title which may be included as part of an audit of other Federal or State programs.

11. Provides assurance that none of the funds expended under this title will be used to acquire equipment (including computer software) in any instance in which such acquisition results in a direct financial benefit to any organization representing the interest of the purchasing entity, the employees of the purchasing entity, or any affiliate of such an organization.
12. Describes how the eligible agency will report data relating to students participating in vocational and technical education in order to adequately measure the progress of the students, including special populations.
13. Describes how the eligible agency will adequately address the needs of students in alternative education programs, if appropriate.
14. Describes how the eligible agency will provide local educational agencies, area vocational and technical education schools, and eligible institutions in the State with technical assistance.
15. Describes how vocational and technical education relates to State and regional occupational opportunities.
16. Describes the methods proposed for the joint planning and coordination of programs carried out under this title with other Federal education programs.
17. Describes how funds will be used to promote preparation for nontraditional training and employment.
18. Describes how funds will be used to serve individuals in State correctional institutions.
19. Describes how funds will be used effectively to link secondary and postsecondary education.
20. Describes how the eligible agency will ensure that the data reported to the eligible agency from local educational agencies and eligible institutions under this title and the data the eligible agency reports to the Secretary are complete, accurate, and reliable.
21. Contains the description and information specified in sections 112(b)(8) and 121(c) of Public Law 105-220 concerning the provision of services only for postsecondary students and school dropouts.

State Leadership

State leadership activities include both required and permissive uses. The required uses shall include:

1. An assessment of the vocational and technical education programs carried out with funds under this title that includes as assessment of how the needs of special populations are being met and how such programs are designed to enable special populations to meet State adjusted levels of performance and prepare the special populations for further learning or for high skill, high wage careers.
2. Developing, improving, or expanding the use of technology in vocational and technical education that may include:
 - a. Training of vocational and technical education personnel to use state-of-the-art technology, that may include distance learning.
 - b. Providing vocational and technical education students with the academic, and vocational and technical skills that lead to entry into the high technology and telecommunications field.
 - c. Encouraging schools to work with high technology industries to offer voluntary internships and mentoring programs
3. Professional development programs, including providing comprehensive professional development (including initial teacher preparation) for vocational and technical, academic, guidance, and administrative personnel, that:

- a. Will provide inservice and preservice training in state-of-the-art vocational and technical education programs and techniques, effective teaching skills based on research, and effective practices to improve parental and community involvement.
 - b. Will help teachers and personnel to assist students in meeting the State adjusted levels of performance established under section 113.
 - c. Will support education programs for teachers of vocational and technical education in public schools and other public school personnel who are involved in the direct delivery of educational services to vocational and technical education students to ensure that such teachers stay current with the needs, expectations, and methods of industry.
 - d. Is integrated with the professional development activities that the State carries out under title II of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6001 et seq.) and title II of the High Education Act of 1965.
4. Support for vocational and technical education programs that improve the academic, and vocational and technical skills of students participating in vocational and technical education programs through the integration of academics with vocational and technical education to ensure learning in the core academic, and vocational and technical subjects.
 5. Providing preparation for nontraditional training and employment.
 6. Supporting partnerships among local educational agencies, institutions of higher education, adult education providers, and as appropriate, other entities, such as employers, labor organizations, parents, and local partnerships, to enable students to achieve State academic standards, and vocational and technical skills.
 7. Serving individuals in State institutions, such as State correctional institutions and institutions that serve individuals with disabilities.
 8. Support for programs for special populations that lead to high skill, high wage careers.

The permissive uses may include:

1. Technical assistance for eligible recipients.
2. Improvement of career guidance and academic counseling programs that assist students in making informed academic, and vocational and technical education decisions.
3. Establishment of agreements between secondary and postsecondary vocational and technical education programs in order to provide postsecondary education and training opportunities for students participating in such vocational and technical education programs, such as tech-prep programs.
4. Support for cooperative education.
5. Support for vocational and technical student organizations, especially with respect to efforts to increase the participation of students who are members of special populations.
6. Support for public charter schools operating secondary vocational and technical education programs.
7. Support for vocational and technical education programs that offer experience in, and understanding of, all aspects of an industry for which students are preparing to enter.
8. Support for family and consumer science programs.
9. Support for education and business partnerships.
10. Support to improve or develop new vocational and technical education courses.
11. Providing vocational and technical education programs for adults and school dropouts to complete their secondary school education.
12. Providing assistance to students, who have participated in services and activities under this title, in finding an appropriate job and continuing their education.

Local Plans

Local plan contents shall:

1. Describes how the vocational and technical education programs required under section 135(b) will be carried out with funds received under this title.
2. Describes how the vocational and technical education activities will be carried out with respect to meeting State adjusted levels of performance established under section 113.
3. Describes how eligible recipients will:
 - a. Improve the academic and technical skills of students participating in vocational and technical education programs by strengthening the academic, and vocational and technical components of such programs through the integration of academics with vocational and technical education programs through a coherent sequence of courses to ensure learning in the core academic, and vocational and technical subjects.
 - b. Provide students with strong experience in and understanding of all aspects of an industry.
 - c. Ensure that students who participate in such vocational and technical education programs are taught to the same challenging academic proficiencies as are taught for all other students.
4. Describes how parents, students, teachers, representatives of business and industry, labor organizations, representatives of special populations, and other interested individuals are involved in the development, implementation, and evaluation of vocational and technical education programs assisted under this title, and how such individuals and entities are effectively informed about, and assisted in understanding, the requirements of this title.
5. Provide assurances that the eligible recipient will provide a vocational and technical education program that is of such size, scope, and quality to bring about improvement in the quality of vocational and technical education programs.
6. Describes the process that will be used to independently evaluate and continuously improve the performance of the eligible recipient.
7. Describes how the eligible recipient:
 - a. Will review vocational and technical education programs, and identify and adopt strategies to overcome barriers that result in lowering rates of access to or lowering success in the programs, for special populations.
 - b. Will provide programs that are designed to enable the special populations to meet the State adjusted levels of performance.
8. Describes how individuals who are members of the special population will not be discriminated against on the basis of their status as members of the special population.
9. Describes how funds will be used to promote preparation for nontraditional training and employment.
10. Describes how comprehensive professional development (including initial teacher preparation) for vocational and technical, academic, guidance, and administrative personnel will be provided.

Local Uses of Funds

Local activities include both required and permissive uses. The required uses are to:

1. Strengthen the academic and vocational and technical skills of students participating in vocational and technical education programs by strengthening the academic and vocational and technical components of such programs through the integration of academics with vocational and technical education programs through a coherent sequence of courses to ensure learning in the core academic, and vocational and technical subjects.
2. Provide students with strong experiences in and understanding of all aspects of an industry.

3. Develop, improve, or expand the use of technology in vocational and technical education, which may include:
 - a. Training of vocational and technical education personnel to use state-of-the-art technology, which may include distance learning.
 - b. Providing vocational and technical education students with the academic, and vocational and technical skills that lead to entry into the high technology and telecommunications field.
 - c. Encourage schools to work with high technology industries to offer voluntary internships and mentoring programs.
4. Provide professional development programs to teachers, counselors, and administrators, including:
 - a. Inservice and preservices training in state-of-the-art vocational and technical education programs and techniques, in effective teaching skills based on research, and in effective practices to improve parental and community involvement.
 - b. Support of education programs for teachers of vocational and technical education in public schools and other public school personnel who are involved in the direct delivery of educational services to vocational and technical education students, to ensure that such teachers, and personnel stay current with all aspects of an industry.
 - c. Internship programs that proved business experience to teachers.
 - d. Programs designed to train teachers specifically in the use and application of technology.
5. Develop and implement evaluations of the vocational and technical education programs carried out with funds under this title, including an assessment of how the needs of special populations are being met.
6. Initiate, improve, expand, and modernize quality vocational and technical education programs.
7. Provide services and activities that are of sufficient size, scope, and quality to be effective.
8. Link secondary vocational and technical education and postsecondary vocational and technical education, including implementing tech-prep programs.

The permissive activities may be used to:

1. To involve parents, businesses, and labor organizations as appropriate, in the design, implementation, and evaluation of vocational and technical education programs authorized under this title, including establishing effective programs and procedures to enable informed and effective participation in such programs.
2. To provide career guidance and academic counseling for students participating in vocational and technical education programs.
3. To provide work-related experience, such as internships, cooperative education, school-based enterprises, entrepreneurship, and job shadowing that are related to vocational and technical education programs.
4. To provide programs for special populations.
5. For local education and business partnerships.
6. To assist vocational and technical student organizations.
7. For mentoring and support services.
8. For leasing, purchasing, upgrading or adapting equipment, including instructional aides.
9. For teacher preparation programs that assist individuals who are interested in becoming vocational and technical education instructors, including individuals with experience in business and industry.
10. For improving or developing new vocational and technical education courses.

11. To provide support for family and consumer sciences programs.
12. To provide vocational and technical education programs for adults and school dropouts to complete their secondary school education.
13. To provide assistance to students who have participated in services and activities under this title in finding an appropriate job and continuing their education.
14. To support nontraditional training and employment activities.
15. To support other vocational and technical education activities that are consistent with the purpose of this Act.

Tech-Prep Education

Tech-Prep is a program that:

1. Combines at a minimum two years of secondary education (as determined under State law) with a minimum of two years of postsecondary education in a nonduplicative, sequential course of study.
2. Integrates academic, and vocation and technical, instruction, and utilizes work-based and worksite learning where appropriate and available.
3. Provides technical preparation in a career field such as engineering technology, applied science, a mechanical, industrial, or practical art or trade, agriculture, health occupations, business, or applied economics.
4. Builds student competence in mathematics, science, reading, writing, communications, economics, and workplace skills through applied contextual academics, and integrated instruction, in a coherent sequence of courses.
5. Leads to an associates or a baccalaureate degree or a postsecondary certificate in a specific career field.
6. Leads to placement in appropriate employment or to further education.

These are both required and permissive activities. Tech-Prep program shall:

1. Be carried out under an articulation agreement between the participants in the consortium.
2. Consist of at least 2 years of secondary school preceding graduation and 2 years or more of higher education, or an apprenticeship program of at least 2 years following secondary instruction, with a common core of required proficiency in mathematics, science, reading, writing, communications, and technologies designed to lead to an associate's degree or a postsecondary certificate in a specific career field.
3. Include the development of tech-prep programs for both secondary and post secondary, including consortium, participants in the consortium that:
 - a. Meets academic standards developed by the State.
 - b. Links secondary schools and two-year postsecondary institutions, and if possible and practicable, four-year institutions of high education through nonduplicative sequences of courses in career fields, including the investigation of opportunities for tech-prep secondary students to enroll concurrently in secondary and postsecondary coursework.
 - c. Uses, if appropriate and available, work-based or worksite learning in conjunction with business and all aspects of an industry.
 - d. Uses educational technology and distance learning, as appropriate, to involve all the consortium partners more fully in the development and operation of programs.
4. Include in-service training for teacher's that:
 - a. Is designed to train vocational and technical teachers to effectively implement tech-prep programs.
 - b. Provides for joint training for teachers in the tech-prep consortium.

- c. Is designed to ensure that teachers and administrators stay current with the needs, expectations, and methods of business and all aspects of an industry.
- d. Focuses on training postsecondary education faculty in the use of contextual and applied curricula and instruction.
- e. Provides training in the use and application of technology.
- 5. Include training programs for counselors designed to enable counselors to more effectively:
 - a. Provide information to students regarding tech-prep education programs.
 - b. Support student progress in completing tech-prep programs.
 - c. Provide information on related employment opportunities.
 - d. Ensure that such students are placed in appropriate employment.
 - e. Stay current with the needs, expectations, and methods of business and all aspects of an industry.
- 6. Provide equal access, to the full range of technical preparation programs, to individuals who are members of special populations, including the development of tech-prep program services appropriate to the needs of special populations.
- 7. Provide for preparatory services that assist participants in tech-prep programs.

Tech-Prep programs may:

- 1. Provide for the acquisition of tech-prep program equipment.
- 2. Acquire technical assistance from State or local entities that have designed, established, and operated tech-prep programs that have effectively used educational technology and distance learning in the delivery of curricula and services and in the articulation process.
- 3. Established articulation agreements with institutions of higher education, labor organizations, or businesses located inside or outside the State and served by the consortium, especially with regard to using distant learning and educational technology to provide for the delivery of services and programs.

Federal and State Provisions

- 1. Fiscal requirements include:
 - a. Supplement not supplant:
Funds made available under this Act for vocational and technical education activities shall supplement, and shall not supplant non-Federal funds expended to carry out vocational and technical education activities and tech-prep activities.
 - b. Maintenance of effort determination:
No payments shall be made under this Act for any fiscal year to a state for vocational and technical education programs or tech-prep programs unless the Secretary determines that the fiscal effort per student or the aggregate expenditures of such state for vocational and technical education programs for the fiscal year preceding the fiscal year for which the determination is made, equaled or exceeded such effort or expenditures for vocational and technical education programs, for the second fiscal year preceding the fiscal year for which the determination is made.

Each state must also provide, from non-Federal sources, a dollar for dollar match for administration that is not less than the amount provided for the preceding fiscal year.

Final Distribution of PY 2004
Federal Vocational Education Funds
July 1, 2004 – June 30, 2005

	OSR	SBCIC	WUECB	ESD	TOTAL
Title I					
Basic Programs (Funding for Local Distributions)	<u>\$8,467,407</u>	<u>\$10,776,700</u>			\$19,244,107
Postsecondary 56% (Formula)		\$9,699,030			
Secondary 44% (Formula)	\$7,620,666				
Reserve (State Grants)	\$846,741	\$1,077,670			
State Leadership (Assessment & Research, Technology & Improved Programs, Partnership & Articulation, Special Populations & Career Guidance, Professional & Curriculum Development, & Technical Assistance)	<u>\$1,118,644</u>	<u>\$823,088</u>	<u>\$95,880</u>	<u>\$226,401</u>	\$2,264,013
State & Local Level Activities	\$1,043,644	\$748,088	\$95,880		
Nontraditional Services (Required)	\$75,000	\$75,000			
Institutionalized Services (Required)				\$226,401	
Administration (State Planning & Coordination, Fiscal & Audit, Reporting & Accountability, Monitoring & Evaluation, Technical Assistance)	<u>\$277,681</u>	<u>\$318,320</u>	<u>\$536,005</u>		\$1,132,006
State Match (Required)	\$277,681	\$318,320	\$536,005		
Total	<u>\$9,863,732</u>	<u>\$11,918,108</u>	<u>\$631,885</u>	<u>\$226,401</u>	<u>\$22,640,126</u>
Title II					
Tech Prep Programs (Funding for Local Distribution)		\$1,936,455			
Administration (Same as above)		\$101,919			
Total		<u>\$2,038,374</u>			<u>\$2,038,374</u>
Grand Total	<u>\$9,863,732</u>	<u>\$13,956,482</u>	<u>\$631,885</u>	<u>\$226,401</u>	<u>\$24,678,500</u>

CARL D. PERKINS VOCATIONAL AND TECHNICAL EDUCATION ACT

Workforce Training and Education Coordinating Board Uses of the Funds

The Workforce Training and Education Coordinating Board (Workforce Board) is the cognizant state agency responsible for the receipt and distribution of federal funds under the Carl D. Perkins Vocational and Technical Education Act (Perkins Act). The Workforce Board functions as the eligible agency described in the Perkins Act and as such, develops and coordinates the Perkins Act state plan, conducts accountability and evaluation activities, provides state leadership functions, and has overall administrative and fiscal responsibility as the grantee to the U.S. Department of Education.

The Workforce Board shares the administrative funding and part of the state leadership funding provided under the Perkins Act. This amount (\$631,885) is unchanged since the passage of Perkins Act in 1998. This funding essentially provides for staff salaries, benefits, and goods and services. A total of 11 full-time equivalent staff and related costs is funded by the Perkins Act and required state match. These staff and their work are represented in the following areas, which are also supported through other funds.

Planning and coordination from the Partnerships Team and work on:

High Skills, High Wages: Washington's Strategic Plan for Workforce Development
The Workforce Development Directory
Annual Progress Report to the Legislature

Policy and evaluation from the Policy and Research Team and work on:

Workforce Training Results and Net Impact Study (especially CTE)
The Gap Between Demand, Supply, and Results for Postsecondary Workforce Education
Demand, Supply, and Results for Secondary Career and Technical Education
Consolidated Annual Report – Performance and Data Information

Administration, including fund distribution, fiscal and program monitoring and reporting, financial and contract management, audit resolution, and technical assistance from the Program Management Team and work on:

Washington State Four Year Plan for Vocational Education (Perkins Plan)
Consolidated Annual Report – Program Narrative and Financial Report
Where Are You Going? A Guide to Careers and Occupations in Washington State
Washington Award for Vocational Excellence

Leadership, coordination, communication, and advocacy from the Executive Director's Office and Special Assistant for Communication.

The Workforce Board provides for coordination with the Workforce Investment Act and other federal programs. This is especially critical since the Board itself functions as both the State Board for Vocational Education under the Perkins Act and the Workforce Investment Board called for in the Workforce Investment Act. Workforce Board staff have been instrumental in assisting national groups, other states, and the U.S. Office of Management and Budget, U.S. Department of Education, and U.S. Department of Labor in the performance and accountability arena.

While reauthorization of the Perkins Act looms on the horizon, it appears that continued emphasis on planning, accountability, and coordination will remain as foundational pieces in any subsequent legislation.

PERKINS SECONDARY FUNDS

QUICK FACTS:

\$251,563,816 state funds spent on vocational enhancement
\$ 9,655,544 Perkins funds to secondary education (39.88% of grant)
\$261,219,360 Perkins = 4% of total

Total state enrollment May 2004: 991,495
A. Total state enrollment grades 9 – 12: 303,975
B. CTE enrollment 9 – 12: 165,895 (55% of A)
C. CTE program completers (360 hours): 26,854 (9% of A; 16% of B)

CTE FTE enrollment 1998-9 53,693 2002-3 55,599

CTE enrollment by grade 2002-3:

9	42,601
10	40,264
11	40,602
12	41,798

CTE enrollment by sex:

Female	78,762 (47%)
Male	87,131

CTE completers by sex:

Female completer	11,977 (45%)
Male completer	14,877

CTE enrollment by race:

Asian	12,066 (07%)	7.8%
Black	8,007 (05%)	5.0%
Hispanic	15,676 (09%)	9.0%
Native American	4,108 (02%)	2.6%
White	125,993 (76%)	75.6%

Statewide 9-12 2002-03

CTE completer by race:

Asian completer	1,662 (6%)
Black completer	967 (4%)
Hispanic completer	2,529 (9%)
Nat. Amer. Completer	566 (2%)
White completer	21,116 (79%)

CTE students earning industry certifications 2002-03: 1,098
(1st year required; 1st year counted)

TECH PREP:

133,655 students earned TP credit in a course articulated with a postsecondary program

93,751 students earned college credits in those courses

35,689 students completed the secondary TP program

Washington has 248 districts with high schools. 238 districts receive state and federal vocational funding. The remaining 10 districts are small, rural and either find their allotments insufficient to support a continuing program or simply choose not to offer any CTE courses that would qualify for state or federal funding.

FUNDING:

State

2003-4 grades 5-12 Basic Education Allocation is \$3926 per FTE.

State vocational enhancement \$ 740 per CTE FTE (\$4666 ttl).

Skills centers receive enhancement of \$1135 per FTE, which *includes* CTE \$

Expenditures per pupil

1998-9	\$3752	2002-2003	\$4139
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Including Perkins:

Expenditures per pupil"

1998-9	\$3912	2002-3	\$4298
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OSPI Expenditures:

Administration:

Perkins and state match support a CTE Director to supervise the CTE unit, manage the grant funds, and provide liaison with the 238 district CTE directors. Supports grants fiscal staff. Provides part support for staff to develop and support K12 transitions, career guidance, K12 transitions, and the requirements of the Office of Civil Rights.

State Leadership:

Supports pathway supervisors, and their assistants, who provide technical assistance and professional development for CTE programs in 238 districts. Supports specialist in new programs development and non-traditional program enhancement. Provides services by grants and contracts for:

- Graduate Follow-up Study and other performance data and analysis.
- Development of "Users Guide" website to increase student and parent access to career assessments, labor market information, postsecondary opportunities and other resources.
- Implementation of Navigation 101, an all-age, all-student curriculum for increasing student planning and increasing parental involvement.
- Vocational Administrator Internship.

- Professional development for CTE instructors, particularly in new technology and newly developed curriculum.
- Nontraditional career exposures, particularly for disadvantaged youth. Includes partnership with IGNITE, Expand Your Horizons, Boys/Girls Club, and others.

District Expenditures:

Local districts use Perkins to enhance and update CTE programs, as the grant intends. Many districts rely on Perkins funds to help with the rising costs of program operation, particularly equipment and supplies purchases. Other districts require Perkins funds to support professional development expenses. Perkins funds also help support activities that involve all programs, regardless of specialty, such as guidance.

Districts apply to OSPI for their Perkins allotments and must indicate how they will meet the required and permissive activities of the act. Districts are required to respond to all of the questions in the Perkins application – even if they do not plan to use Perkins funds to support that activity.

1. (Actually not a question. Defines the required and permissive activities of the Act.)
2. Describe how the district will use Perkins funds and local program activities to meet the state-defined Adjusted Performance Levels (percentages) assigned to each indicator.
3. A. Describe how the district will improve the academic and technical skills of students participating in CTE programs by strengthening the academic and CTE components of such programs through the integration of academics with CTE programs through a coherent sequence of courses to ensure learning in the core academic and CTE subjects.
B. Describe how the district will provide students with strong experience in, and understanding of, all aspects of an industry (i.e., industry skill standards, certifications, career progressions, and management).
C. Describe how the district will ensure that students who participate in CTE programs are taught to the same challenging academic proficiencies as are taught for all other students.
4. Describe how students, teachers, representatives of business and industry, labor organizations, representatives of special populations, and other interested individuals are involved in the development, implementation, and evaluation of CTE programs assisted under this Act, and how such individuals and entities are effectively informed about, and assisted in understanding, the requirements of this Act.
5. Assurances (district provides names of district officials who affix signatures to a hard-copy of the assurance page – kept on file in the district)
6. Describe the process that will be used to independently evaluate and continuously improve the performance of the district's CTE program.

- 7 A. Describe how the district will review CTE programs to identify and adopt strategies to overcome barriers that would otherwise result in lowered rates of access to, or lowered success in, the programs for special populations.
B. Describe how the district will provide programs that are designed to enable the special populations to meet the state adjusted levels of performance.
- 8 Describe how individuals who are member of the special populations will not be discriminated against on the basis of their status as members of special populations.
- 9 Describe how the district will promote preparation for non-traditional training and employment.
- 10 Describe how the district will provide comprehensive professional development to teachers, counselors, and administrators.

Additionally, over the last three years districts have been able to apply for set-aside funds for special pilot projects. Districts chose among the following options and created demonstration projects as a result:

2002-03 Pilot Site Focus Areas

___ Infuse industry-defined skills standards (IDSS) throughout the CTE curriculum; in exploratory courses, IDSS will be used to define occupation-specific skills and in preparatory programs, IDSS will be used to define skills needed for receipt of industry certification.

___ Alignment of secondary and postsecondary CTE curriculum and student expectations/outcomes through the development of articulation agreements based on IDSS.

___ Development of classroom-based assessments to measure student achievement of technical and academic competencies acquired through the use of curriculum based on IDSS.

___ Documentation of improvement of academic achievement in mathematics and science in CTE courses as evidenced by the use of curriculum based on EALRs, IDSS, and assessments similar to those used in academic courses.

___ Design and implementation of CTE course offerings and associated curriculum that documents a continuation of competency attainment based on IDSS.

2001-2002 Pilots focused on developing elements for the new program standards. Districts could choose among the following:

- ___ Professional Development
- ___ Curriculum Development (identify content area/s)
- ___ Alignment of Curriculum/Standards with Postsecondary Programs/Standards
- ___ Skills Standards Development (Curriculum and Assessments)
- ___ Alignment with the EALRS and Goals 1-4
- ___ Alignment with/inclusion of the 4 Ps
- ___ Alignment with Career Clusters/Pathways
- ___ Career Guidance
- ___ Alignment of Curriculum with Industry Standards
- ___ Industry Certificates/Certification (teachers and/or students)
- ___ Leadership Development
- ___ Work-based Learning Included for all programs
- ___ Options for Nontraditional Training and Employment
- ___ Options for Special Populations

- ☐ Formatting Local Documents to Align with the Standards
- ☐ Align District's Policies and Procedures with the Standards
- ☐ Other (please describe below)

District expenditures:

State vocational enhancement:

- spent 3.3% for capital (equipment)
- spent 0.7% for travel
- spent 5.5% for purchased services
- spent 8.3% for supplies and
- **spent 63% for salaries**

Federal Perkins funds (averages 4% of their total funds)

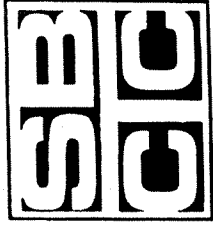
- 17% on capital
- 3% on travel
- 11% for purchased services
- 27% for supplies
- 12.5% for salaries

POST-SECONDARY PERKINS ACTIVITIES/OUTCOMES

Workforce Board

June 30, 2004

Spokane Community College



**Jim Crabbe, Director of Workforce Education
State Board for Community and Technical Colleges**



OUTLINE

- **Overall Perkins Budget Summary**

- **Basic Grant**

- Goals/Outcomes**

- **Leadership**

- Goals/Outcomes**

- **Administration**

- **Tech Prep**

- **Goals/Outcomes**

- **Questions?**

OVERALL BUDGET SUMMARY

<u>CATEGORY</u>	<u>FUNDING</u>	<u>PERCENT</u>
Base Program	10,553,507	77%
Leadership	796,857	6%
Administration	311,728	2%
Tech Prep	2,038,374	14%
TOTAL	13,700,466	100%

COLLEGE BASIC GRANT FORMULA

90%

- **Economically Disadvantaged Populations**

- Last year's Pell, BIA, WRT, welfare and former welfare with vocational intent or basic skills

10%

- **Reserve**
 - 90% Rural colleges
 - 10% High vocational programming density

BASIC GRANT (cont.)

Required uses of funds: The Carl D. Perkins Vocational and Technical Education Act of 1998 requires that funds awarded under the Act must be used to provide vocational and technical education in programs that:

- Provide services that are of such size, scope and quality to be effective
- Strengthen the academic, and vocational and technical skills of students through the integration of academics with vocational and technical education programs through a coherent sequence of courses
- Provide students with strong experience in, and understanding of all aspects of an industry
- Develop, improve, or expand the use of technology in vocational and technical education



BASIC GRANT (cont.)

- **Provide professional development programs**
- **Develop and implement evaluations, including an assessment of how the needs of special populations are being met**
- **Initiate, improve, expand, and modernize vocational and technical education**
- **Link secondary and post-secondary education including the implementation of Tech Prep programs**
- **Support of your partnering One-Stop system**

BASIC GRANT (cont.)

Permissible use of funds: The Perkins Act also allows the use of funds under this Act for the following services and activities

- Courses
- Guidance and counseling
- Work-related experience
- Special populations
- Partnerships
- Organization
- Equipment
- In-service
- Support for family and consumer science programs
- Secondary education completion
- Employment assistance
- One-stop system support
- Other



LEADERSHIP WORKFORCE EDUCATION COUNCIL

Best Practices: Colleges used funds to identify and develop program-specific vocational technical curriculum projects, professional development practices, instructional materials and research that can be adapted for use at other campuses and programs.

The Best Practices currently fit under the following statewide initiatives: competency-based education;; assessment and follow-up; curriculum development of projects; recruiting and advising; implementation of training appropriate to WorkFirst; business and industry partnerships for program improvement; adapting to emerging technologies; distance education; integration of basic skills; and other. (In 2003-04 - 43 grants were awarded.)



LEADERSHIP (cont.)

Professional Development: Industry-based

Professional Development grants were used to enable vocational faculty to engage in return to industry activities to stay current with changes in their industry fields and the workplace, including new technologies, skill requirements, training and career development opportunities. (In 2003-04 - 91 grants were awarded.)



LEADERSHIP (Cont.)

- **Non-Traditional Training and Employment**
 - \$75,000 (\$5,000 per college)
- **Replication of Best Practices**
 - **Connections**
 - **Gifted Individuals Realizing Leadership Skills (GIRLS) – a non traditional summer camp**
 - **The Road Less Graveled**
 - **Try-a-Trade/Try-a-Technology**



LEADERSHIP (Cont.)

- **Other Initiatives**

- **Integration Vocational/Adult Basic Education**

- **Economic Development Initiatives**

- **Student Leadership Activities**

- **Skills oriented**

- **Provide leadership competitions**

- **Recognized state or national affiliation**

Examples: Skills/USA, DECA (Delta Epsilon Chi Assoc.), PBL (Phi Beta Lambda), and WPAS (Washington Post Secondary Agricultural Students)

- **Staff Development Conferences**



ADMINISTRATION

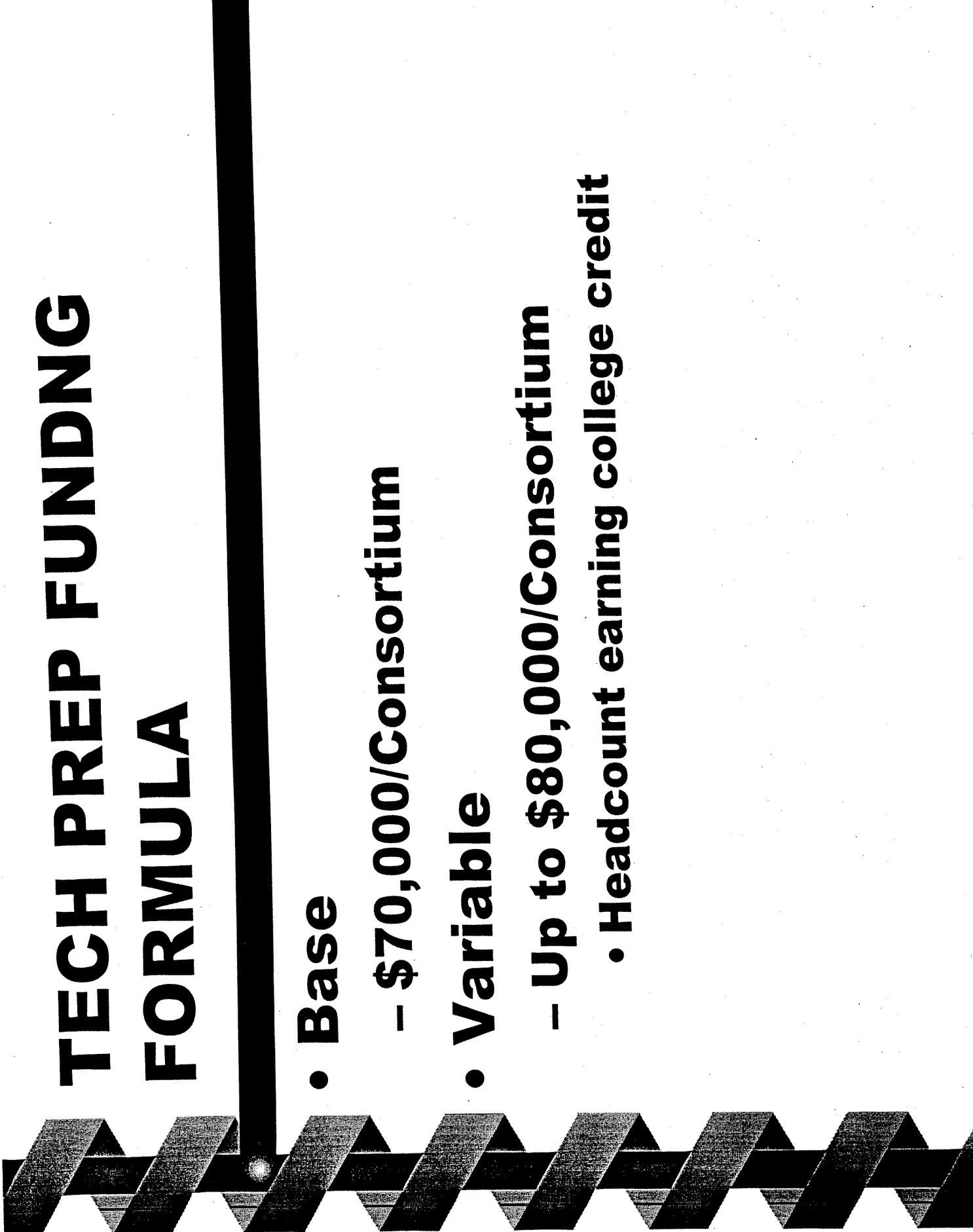
Our administration under both Perkins and Tech prep are used for the proper and efficient performance of our duties under the Perkins Act including supervision. It doesn't include curriculum development activities, personnel development, or research activities.

Staff FTE Supported by the Funds

Perkins Administration	5 FTE
Tech Prep Administration	.75 FTE

In addition our administration funds are used for goods and services, travel, etc.

TECH PREP FUNDING FORMULA

- 
- **Base**
 - **\$70,000/Consortium**
 - **Variable**
 - **Up to \$80,000/Consortium**
 - **Headcount earning college credit**

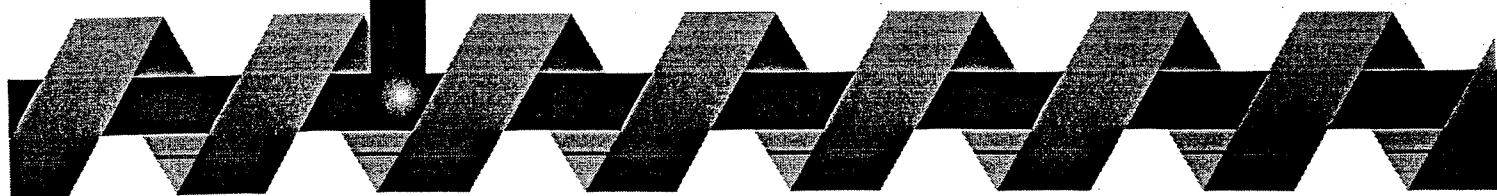
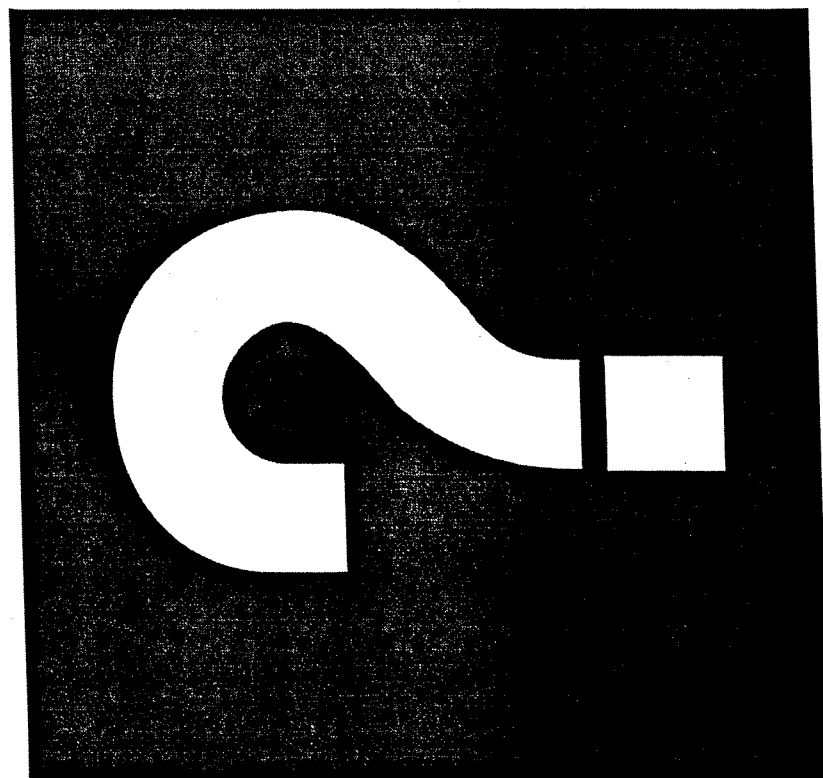


TECH PREP (Cont.)

- **Goals**

- **Sustainability**
- **Accountability**
- **Industry standing in curricula**
- **Statewide Articulation**
 - **8,278 students getting college credit**

QUESTIONS



Tab 8

DROP OUT PREVENTION AND INTERVENTION – DEMONSTRATION PROJECTS UPDATE – September 27, 2004

In May 2004, the Workforce Training and Education Coordinating Board (Workforce Board) forwarded recommendations covering the portion of funds received through the federal Workforce Investment Act (WIA) that are known as the “10 percent” funds or the “Governor’s Discretionary Funds” to Governor Gary Locke. Among the required uses of these funds, states are to assist areas with high concentrations of eligible youth. The Workforce Board recommended using \$670,000 of Project Year (PY) 2004 funds and \$670,000 of PY 2003 funds to leverage WIA funds with Basic Education Act (BEA) dollars.

This recommendation supports “**High Skills, High Wages**” Strategy 3.1.2: “develop local community-school partnerships that plan and implement drop out prevention and retrieval initiatives for at-risk youth, including effective after school hours and summer programs.” As a result of the partnerships among school districts and workforce development councils, there will be young people who might have otherwise left school with limited life and work choices that will choose to stay or return, graduate, and help close our skills gap.

The Employment Security Department (ESD) released the “Workforce Investment Act Statewide Drop Out Prevention and Intervention Program” guidelines on May 25, 2004, and negotiated proposal due dates with 11 of the 12 Workforce Development Councils (WDCs).

The review team includes Julianne Hanner, Owner and Operator, Hanner Enterprises and Workforce Board member; Mary Kenfield, Washington State Parent Teacher Association; Holly Watson and Charles Lewis, ESD; Kyra Kester, Office of Superintendent of Public Instruction; and Pam Lund, Wes Pruitt, and Heather Fredericks, Workforce Board. As of September 21, this team has approved five proposals: North Central, Eastern Washington Partnerships, Spokane Area, Tri-County, and Seattle-King County WDCs. The proposals offer innovative ideas to begin or expand prevention and intervention services for students who are identified as at risk of dropping out of school, and those who have dropped out. The 10 proposals received to date anticipate serving 1,187 students. Proposal summaries are attached.

All proposals will leverage their WIA grants with BEA funds from local partner schools and school districts. The range of WIA funds awarded to workforce development councils is from \$135,796 (Seattle-King County WDC) to \$104,733 (Benton-Franklin WDC), based on the WIA youth allocation formula. To date, the total BEA funds leveraged toward these projects is approximately \$2,017,614. Additional BEA funds are expected to be identified in three more proposals.

Proposal Summaries – As of September 27, 2004

North Central – “Learning Center Plus” Project

Status: Approved – contract in place. (\$107,420)

Serves 30 youth

This project builds on existing relationships with Wenatchee, Moses Lake, Brewster, and Okanogan School Districts. Students enrolled in the Learning Center Plus project receive an individual evaluation to assess current high school credits, requirements for graduation, and transcription of credits toward graduation. The Learning Centers provide a hands-on learning environment, with activities emphasizing life skills training and mentoring.

Eastern Washington Partnerships – “Project Drop IN”

Status: Approved – contract in place. (\$105,550)

Serves 42 youth

This project works with Rural Resources Employment and Training and includes Clarkston and Mary Walker School Districts. Students receive basic education and workplace skills, and can join a support group to keep them engaged in school. Project Drop In staff receive community training to gain a better understanding of the challenges that students face while working to earn a high school diploma and enter the workforce. The project puts in place a tracking system to document students’ progress toward gaining a high school diploma.

Tri-County – “Kittitas Rural Education and Service Training (KREST)”

Status: Approved – contract in place. (\$110,494)

Serves 30 youth

This project works with the Cle Elum-Roslyn, Easton, and Thorp School Districts, and Opportunities Industrialization Center of Washington (a community-based organization). Participating school districts and community service providers refer students to the KREST Center. Early intervention and strategies are designed to interest, motivate, and support the at-risk students. The KREST Center recovers drop out students, and helps students complete their education by addressing the issues that cause premature exit from school.

Seattle-King – “Improving Educational Access & Achievement for Highline Students”

Status: Approved – contract being negotiated. (\$135,796)

Serves 65 youth

This project works with six local communities of the Highline School District in two different programs. The University of Washington Small Schools Project and the Big Picture Company have designed a small high school to enroll ninth graders at risk of dropping out. These students receive an Individualized Learning Plan, and participate three days a week in school-based activities, and two days a week off-site working in internships. King County WorkSource’s “YouthSource” program recovers drop out students in their one-stop youth education and employment center. These students receive teacher assistance in basic skills to attain their high school diploma and vocational training.

Spokane Area – “The NET: Alternative for Education and Training”

Status: Approved – contract to WDC for signature. (\$110,077)

Serves 100 youth

This project continues its work with Educational Service District 101 and 12 school districts, including Central Valley, Cheney, Deer Park, East Valley, Freeman, Liberty, Mead, Medical Lake, Nine Mile Falls, Riverside, Spokane, and West Valley, and the Spokane Area Skills Center. The NET project gives students an achievement test and one-on-one counseling to develop an Individual Instruction Plan. Students receive classroom instruction, career counseling services, workforce development opportunities, and online course work. Students meeting the motivation requirements for independent coursework will be given a donated computer for home use on a long-term loan basis.

Tacoma Pierce – “Multi-District Drop Out Prevention”

Status: Pending review team approval. (\$116,564)

Serves 625 youth

This project is developing relationships with Bethel, Franklin Pierce, White River, and Clover Park School Districts. Students work with certified staff at each district to develop an Individualized Success Plan. These plans improve attendance and provide advocacy with teachers, parents, social workers, school administrators, and community programs. School district staff can access a website providing best practices to prevent and retrieve drop outs, and a catalog of available vocational college-based high school programs.

Olympic - “Academic Intervention Specialist” Project

Status: Pending review team approval. (\$105,342)

Serves 100 youth

This project works with Educational Service District 114, Northwest Services Council, and includes Bremerton, Port Angeles, Quillayute Valley, South Kitsap, and Chimacum School Districts. The project expands the capacity of existing prevention and intervention programs in the community by improving communication and case management services. The Intervention Specialist coordinates a rapid response or reentry plan with school districts.

Pacific Mountain – “Drop Out Prevention and Retrieval”

Status: Pending review team approval. (\$108,642)

Serves 100 youth

This project works with Yelm Community Schools, New Market Vocational Skills Center, Community Youth Center, Educational Service District 113, and Grays Harbor School District. This project serves youth who are credit deficient, have high truancy rates, recidivism within the juvenile justice system, and youth reentering the traditional school setting for a second or third time. The school districts identify a “coach” to help the student gain lost credits and remain motivated until graduation. The project includes additional academic course work, tutoring, and alternative methods to credit retrieval such as NOVA Net.

Snohomish – “Supporting Teens At-Risk (STAR)”

Status: Pending review team approval. (\$113,787)

Serves 50 youth

This project works with Everett Public Schools, Cascade High School, H.M. Jackson High School, Everett High School, Eisenhower Middle School, Gateway Middle School, Heatherwood Middle School, North Middle School, and Sequoia Alternative High School. The project uses a “Three-Prong” approach to increase retention and on-time graduation rates. First, an

Intervention Specialist works with students at risk of dropping out of school and their parents to devise an Individualized Graduation Strategy for on-time graduation. Second, students can earn credits through the Online High School. Third, students performing below standards in reading and writing are enrolled in the Literacy Support Class.

Southwest – “SW Washington WIA Drop Out Prevention & Intervention Program”

Status: Pending review team approval. (\$113,463)

Serves 45 youth

This project works with Educational Service District 112 and Clark County Juvenile Justice to fill service gaps within the Battle Ground, Longview, and Vancouver School Districts. Battle Ground Public Schools connect students with advisors to receive a personalized learning environment and ongoing mentoring. Longview School District targets students moving from 8th to 9th and 9th to 10th grades, providing a five week summer session to gain academic skill and support relationships. Vancouver School District provides an intensive prevention program for academic support. Students who are WIA-eligible can participate in the Youth Workforce Program through Educational Service District 112.

Benton-Franklin (\$104,733) and Northwest (\$108,131) Workforce Development Councils

These proposals are due September 30, 2004. The review team will meet on October 8 to discuss these final proposals.

